NEWSPAPER
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Who really gets what's inside the doggy bag?
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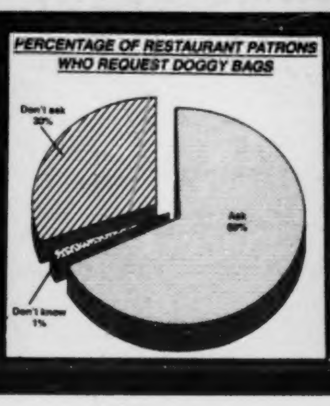

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Nation's
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The Weekly Newspaper of the Food-Service Indusiry

Vol. 20, No. 33 | Published every Monday by Lebhar-Friedman Inc.; $1 a copy, $19.50 a year | August 11, 1986

Top execs feel heat as chain sales cool

Shakeups reach a fever pitch

By Joe Edwards

Executives throughout food service are finding themselves increasingly on the hot seat during the current period of sluggish sales.

In the last six months or so, at least 20 presidents and chief executives of prominent companies have stepped aside, been booted out or demoted. *(See chart, page 16.)*

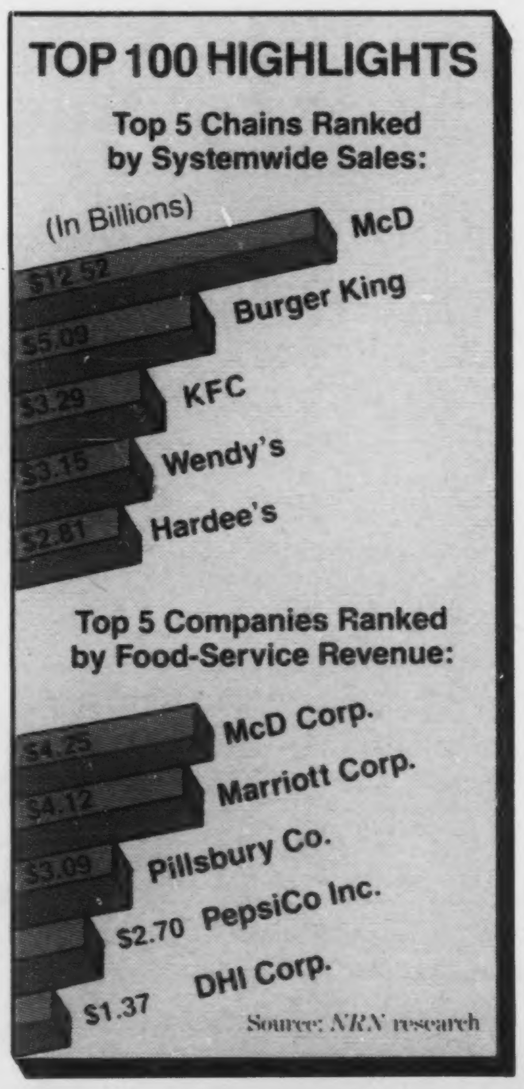
"I've never seen anything like it," one longtime food-service observer declared.

And Alice Elliot, head of a Tarrytown, N.Y., food-service executive search firm, said, "Boards of directors, people in power, are not about to sit back and wait for results. We're living in a time when, unfortunately, the focus is on short-term goals and results."

The list of recently unemployed top food-service executives reads like a Who's Who of Food Service.

Anwar Soliman, who quit last month as W. R. Grace's restaurant group chief, and Jay Darling, who resigned as Burger King president, were the most recent additions to that list.

*(See **HOT SEAT,** page 16)*



Source: *NRN* research

Chains seek path to reverse slump

1986 NRN *Top 100 analysis*

By Rick Telberg

The nation's largest and most powerful food-service operators, their minutely detailed strategies dashed by two years of slumping sales trends, are on the defensive, as never before.

The 14th annual *Nation's Restaurant News* Chain Analysis shows, in a year marked by a surprisingly sluggish economy, that the Top 100 Chains and the Top 100 Companies face fratricidal competition, dizzying shifts in consumer tastes, predatory takeovers, scaled-back expansion plans and declining customer counts.

"It's miserable," one fast-food executive admitted to *NRN*. A dinnerhouse strategist griped, "The level of competition is somewhere between intense and frenzied." A hotelier said, "It's no secret that we overbuilt."

Customer counts, a cafeteria chieftain confided, "are up one week and down the next." And a catering contractor fretted, "Price is everything."

*(See **TITANS,** page F4)*

Union Station becomes Indianapolis showcase

Food-service operators reap benefits

By Carolyn Walkup

INDIANAPOLIS — The opening of the Union Station festival marketplace has increased opportunities for owners of restaurants of all types, according to local operators.

Located adjacent to the Indianapolis Convention Center and the Hoosier Dome, the station has been attracting crowds of conventioneers and both local and out-of-town tourists. And some 40 restaurants serving everything from prime rib to popcorn are enjoying the attention.

The $135 million dining, shopping and entertainment complex built in the restored 1888 Union Station has rapidly become the city's showcase. Developers Robert and Sandra Borns estimate as many as 15 million people will visit it during its first year.

Businesses there expect to get a tremendous boost in Au-

*(See **UNION,** page 168)*

Opening-day crowd jams food court at the $135 million Union Station festival marketplace in Indianapolis.

Habermann in dual role as Grace ceo

Buyout plan poses greatest challenge

By Richard Martin

Newsmaker

IRVINE, Calif. — The abrupt resignation last month of Grace Restaurant Co. chieftain Anwar Soliman, architect of the Irvine-based company's pending leveraged buyout, has thrust veteran food-service executive Norman Habermann into a sensitive and demanding dual leadership role.

Promoted to chief executive of the 700-store, $1.2-billion-a-year W. R. Grace & Co. subsidiary, Habermann also inherited Soliman's spot as management group leader of the LBO. That deal would create a private company comprising such Grace chains as El Torito, Houlihan's, Coco's, Carrow's, Reuben's, Charley Brown's, Bristol Bar & Grill and Gladstone's 4 Fish.

As conceived by Soliman and the investment firm of Drexel Burnham Lambert, the buyout would give management and its backers a minimum 51% stake in the new company and Grace a maximum 49% common equity

*(See **HABERMANN,** page 193)*

Entrepreneur Warner LeRoy spent five years and $12 million to create Potomac, his "grand spectacle cafe" in D.C.

Will LeRoy's Potomac swim in Washington?

By Marilyn Alva

WASHINGTON — Will it play in Washington? That is the question everyone in this town seems to be asking now that Warner LeRoy has finally opened his $12 million, five-years-in-the-making "grand spectacle cafe" here called Potomac.

Too big, too bright, too bold, they say. To which New York's Tavern on the Green's and Maxwell's Plum's LeRoy responded: Washington is ready.

Washington had never, indeed, seen anything like the recent Fellini-esque midsummer opening, which featured everything from acrobats on 60-ft. sway poles and gypsy dancers with castanets to a high-stepping marching band and a fireworks display by "the great Zambellis," except perhaps in movies or at a circus.

*(See **LeROY,** page 193)*

Broiled steak entrée favorite dish in poll

Gallup: Preparation is key

By Paul Frumkin

PRINCETON, N.J. — Beef still ranks as the most popular entrée item among restaurant-goers, surpassing those dishes prepared from chicken, seafood and lamb, according to a recent Gallup study.

In a poll testing the popularity of 10 entrées, charbroiled strip steak with garlic butter clearly led the pack with 60% of the participants saying they would be "very likely to order" that entrée.

However, the study cautioned restaurateurs not to assume that any beef dish would automatically appeal to customers. Only 8% of the survey's respondents said they would order the second beef item listed—steak with a green and black peppercorn sauce—indicating that the preparation exerts a significant influence over choice.

"It does indeed appear that the preparation of a particular meat, fowl or seafood can sometimes be more important than adults' preference for [those items]," Gallup said.

It's not surprising the study also found chicken dishes to be quite popular, with two poul-

*(See **GALLUP**, page 162)*

WHAT CONSUMERS ARE LIKELY TO ORDER

	Very Likely to Order	Price Expect to Pay
Charbroiled strip steak	40%	$10.30
Baked chicken with honey and lemon sauce	35	8.00
Stir-fried shrimp with ginger and garlic	31	9.90
Fillet of sole with breadcrumbs	25	9.10
Roast chicken with thyme and garlic	25	8.30
Curried shrimp with almonds	24	10.40
Club steak with black and green peppercorn sauce	18	9.00
Fillet of sole with shrimp in puff pastry	15	10.60
Broiled lamb chops with roasted shallots	13	10.40
Lamb stew with spring vegetables	12	8.20

Source: Gallup Report

The Cajun Cafe has been operating since February in Portland's historic Nob Hill district.

New Cajun Cafe brings a touch of the Louisiana bayou to Portland

By Alan Liddle

PORTLAND, Ore. — The six-month-old Cajun Cafe is quickly winning the heart—and heartburn—of this city by serving up spicy bayou fare made with fresh regional ingredients and regular "care packages" from Louisiana.

Operating since February in Portland's historic Nob Hill district, the cafe boasts a chef, Paul Livingston, and pastry chef, Annette Gilmore, who trained for two months with Cajun-Creole maven Paul Prudhomme. Peter Lutzen, the assistant chef, worked at Prudhomme's famous K-Paul's Louisiana Kitchen in New Orleans.

The menu changes daily to showcase the best available regional produce, poultry and seafood. The seafood is flown in several times a week from the Gulf, according to the cafe's spokesman, Jane DeMarco. Essential Cajun/Creole spices are also airlifted in regularly, she said.

On a busy day, up to 400 Portlanders will dine on Livingston's and Lutzen's lunch and dinner creations. There is no lunch service on weekends, but up to 300 meals are prepared nightly.

Especially popular with patrons is the cafe's blackened prime rib with horseradish sauce and browned garlic butter. Pierogi dishes featuring halved, hollowed and fried egg plant filled with the likes of sautéed shrimp and Andouille sausage in a tomato-based sauce also are best-sellers.

The Cajun Cafe's dinner menu regularly

*(See **CAJUN CAFE**, page 15)*

LATE NEWS DIGEST

Soliman buying Saga units

BETHESDA, Md. — A group of investors led by former W. R. Grace restaurant executive Anwar Soliman is buying Saga Corp.'s restaurants from Marriott Corp. The sale includes Stuart Anderson's Black Angus, Grandy's, Velvet Turtle, and Spectrum Foods' specialty restaurants. Terms were not disclosed. Marriott's $502 million acquisition of Saga Corp. was completed the day the sale of the restaurants to Soliman's group was disclosed. Marriott bought Saga for its extensive contract feeding operations.

Vicorp may sell outlets

DENVER — Vicorp Restaurants Inc. said it may sell about 80 Hungry Hunter, Carlos Murphy's and other dinnerhouses to an investor group headed by Vicorp chairman Gordon H. Miles. Vicorp retained a financial adviser to consider the group's unsolicited proposal. Miles would resign as Vicorp chairman if the sale is approved but would continue as a director and major stockholder, the company said.

McMahon quits D'Lites

ATLANTA — Jefferson T. McMahon has resigned as president and chief executive of D'Lites in the wake of the company's failure to find critically needed cash. No successor was named. At presstime, D'Lites said it was debating whether to file for protection from creditors under Chapter 11 of the Federal Bankruptcy Code or liquidate its assets.

KFC sells Skolniks

LOUISVILLE — Kentucky Fried Chicken Corp. said it sold Skolniks Bagel Bakery Restaurants to a group of investors. The 12-unit Philadelphia-based chain was originally bought by R.J. Reynolds, KFC's parent, and transferred to KFC for evaluation.

5.6

WALL STREET UPDATE

Index sags to 171.1

NEW YORK — The *Nation's Restaurant News* Stock Index, continuing its slide, lost 5.6 points in the week ended Aug. 1, to close at 171.1. Only seven restaurant issues rose.

(Full report, tables, pages 194-195.)

Wendy's unit sales slip 11%

DUBLIN, Ohio — Same-store sales at company-owned Wendy's outlets declined 11% in the second quarter ended June 30. But the company used the sale of 85 restaurants to offset unit-level sales losses. Net income in the quarter totaled $24.3 million, a generally lower-than-expected 9% gain over the year-ago level. Revenue rose a scant 3.3%, to $300.3 million.

Elby's sale falls through

WHEELING, West Va. — Elby's Family Restaurants will not be sold to Friendly Ice Cream Corp. after all. Boury Corp., which owns Elby's, said it has terminated negotiations with Friendly because of differences "that could not be resolved." Boury and Friendly have been negotiating since April 2.

Canteen unit names chief

CHICAGO — Barry Freilicher has been appointed president of Volume Services Inc., the Canteen Corp. subsidiary that manages food-service concessions at sports arenas and recreation areas. He was vice president of Volume's eastern division before being tapped for the newly created post.

INSIDE THIS ISSUE

Food-service covers at hotels have declined year-to-year, but some properties are bucking the trend. *Page 17.*

One million visitors attended the 20th annual Festival of American Folklife in Washington, where they were treated to a variety of both home-grown and foreign cuisines. *Page 38.*

Haussner's Restaurant in Baltimore has developed its own computer software to keep track of its 1,000-item inventory. *Page 44.*

Climbing Mt. Kilimanjaro has fullfilled a dream for Burger King chairman J. Jeffrey Campbell. *Page 50.*

Calny has gone to the Pacifica, Calif., beachfront to create one of its two new *very* upscale Taco Bell outlets. *Page 153.*

USDA officials now say that irradiation—a controversial process for preserving food—could offer restaurant owners a number of major benefits. *Page 154.*

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S&A Corp. expands its seafood concept

(Continued from page 3)

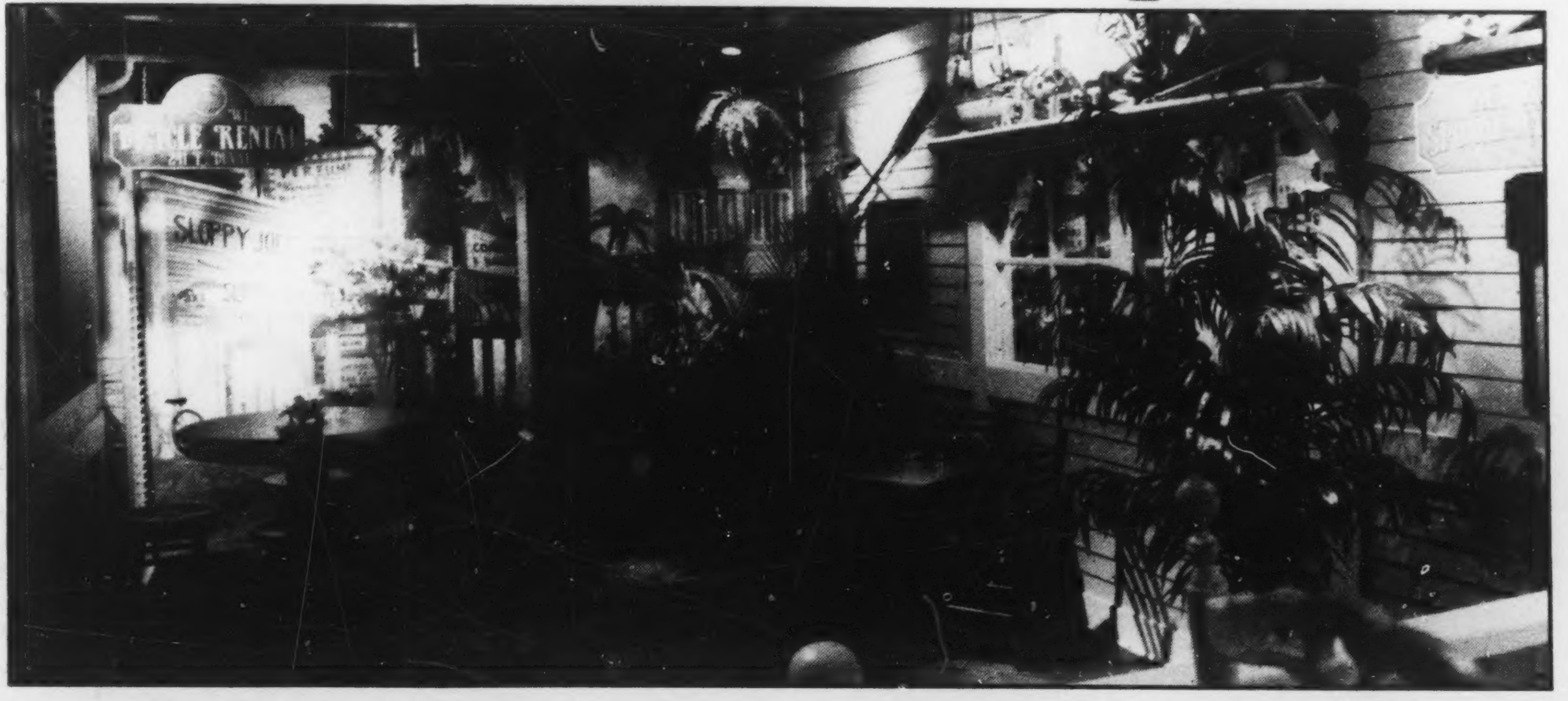
pared with 60% at Bennigan's, which has traditionally had an active bar scene.

The ninth Bay Street opens this month in Woodbridge, N.J., and 10 others are planned in New Jersey, Florida and Illinois by next June. There are five Bay Street outlets in Dallas-Fort Worth, two in Atlanta and one in Oak Brook Terrace, Ill., a Chicago suburb.

Bay Street's menu features a "Daily Market Sheet" listing fresh fish prepared in a variety of ways: sautéed, baked, broiled, grilled and fried. The Daily Market Sheet is designed to give unit managers the ability to custom-tailor the menu to local tastes and to take advantage of what's available from local seafood suppliers, S&A spokesperson Jodie Hughes said.

The menu also lists seafood pastas, garlic shrimp, Cobb salad and other salads and Cajun specialties. In fact, the biggest sellers at Bay Street are blackened redfish at dinner and blackened chicken sandwich at lunch, Hughes informed.

Per-person check averages without drinks are $7 to $9 at lunch and $12 to $14 at dinner.



The bar area of Key West Grill, S&A's seafood concept opening in Clearwater, Fla. next week.

S&A is clustering Bay Street outlets in major metropolitan areas outside center cities. Hughes said the company is scouting locations in northern and central New Jersey and Florida.

With a commitment from parent Pillsbury to finance Bay Street expansion, S&A is planning to open 20 additional outlets in fiscal 1988 and another 25 in fiscal 1989. Pillsbury, which reportedly earmarked $20 million for Bay Street expansion this year, begins its fiscal year in June.

S&A's other new concept, Key West Grill, was developed by a team headed by Dennis Hood, senior vice president, who began his foodservice career in 1973 as a Steak & Ale management trainee.

The first unit—a 224-seater at 2660 Gulf to Bay Blvd. in Clearwater, Fla., opens next month. It will feature Key West, Fla.-style decor (paddle fans, palms and wicker furniture) and a menu of Florida and Caribbean seafood specialties priced from $3.95 to $12.95. The test unit is expected to gross between $1.5 and $2 million a year.

Key West's menu includes stone crab claws, smoked baby back ribs, blackened seafood, Bimini bread sandwiches, conch fritters, conch chowder, black bean soup, Goombay bread, Cuban cornbread, beer cheese soup, Macadamia nut ice cream pie and Key Lime pie.

Meanwhile, Craig credited 40 new menu items—mostly Cajun and Asian dishes and salads—with being partly responsible for Bennigan's real sales gains last year.

Steak & Ale has added fish dishes, a Sunday brunch and in-store baking.

JJ Muggs is S&A's other restaurant concept.

Pillsbury's other restaurants are Burger King, Quik Wok, Godfather's Pizza and Häagen-Dasz.

Sulfite ban accepted wholeheartedly by operators

(Continued from page 3)

and Wendy's said they never used sulfites on their salad bars. Sizzler banned the use of sulfites in all its company and franchise stores three and a half years ago.

Country Kitchen directed all its franchise units to stop using sulfites "when the issue first reared its head," said Joy Grawemeyer, director of product standards and development. The corporate stores never used sulfites, she added.

The NRA reported that 97% of its membership indicated as early as August 1984 that they were no longer knowingly using sulfites.

However, Dee said the problem was that many of the operators said they may have purchased produce already treated with sulfites and had been unaware of its presence in their food supplies.

Some studies have shown that up to 10% of food establishments surveyed have been using sulfites, many without providing public notice of the practice.

Even before the federal ban, some restaurants have been turning to vitamin C-based sulfite substitutes to freshen salad bars and leafy vegetables and fruits. Sizzler, for example, has approved a sodium phosphate compound for occasional use on cut lettuce and cut apples. Country Kitchen has also approved the use of an antioxidant where needed but does not encourage its use.

French restaurant opens in Georgia truckstop

(Continued from page 3)

been good. "I would have to say we're doing better than expected," Gerow said. "Although we've been averaging about 39 covers a night, we've served as many as 55."

Pricing is low, by anyone's standards. Soups and appetizers include French onion soup *gratinée*, $1.35; cream of button mushroom and truffle soup, $2.50; and chilled cream of Georgia peach, $1.50; fresh smoked Irish salmon with capers, $4.95; and *foie gras* on toast points, $3.95.

Entrées are *coq au vin blanc*, $6.95; scallops *St. Jacques*, $9.95; medallions of beef with Béarnaise sauce, $12.95; and Mon Petit Crab Imperial, $13.95.

But obviously those low prices can occasionally wreak havoc with food cost—the check average is only about $17.50 per person. "At first, we were running in the 50% range," Gerow said. "So we remade the menu—three times. And we still have some loss leaders, like the Crab Imperial."

One night recently, however, the check average shot up to $23: Somebody bought a bottle of Mouton Rothschild, which Gerow said he offers "as a lark." And given the restaurant's incongruous location, Mon Petit's 38-selection wine list is notable. In addition to the Rothschild, the restaurant also keeps an *Haut Brion* on hand.

But its sophisticated selection notwithstanding, wine storage at Mon Petit tends to be a bit rough-hewn. "We keep the whites chilled in the butter and egg cooler and the reds stacked behind the waitress counter in the other restaurant," he noted. "Nobody is going to steal them there."

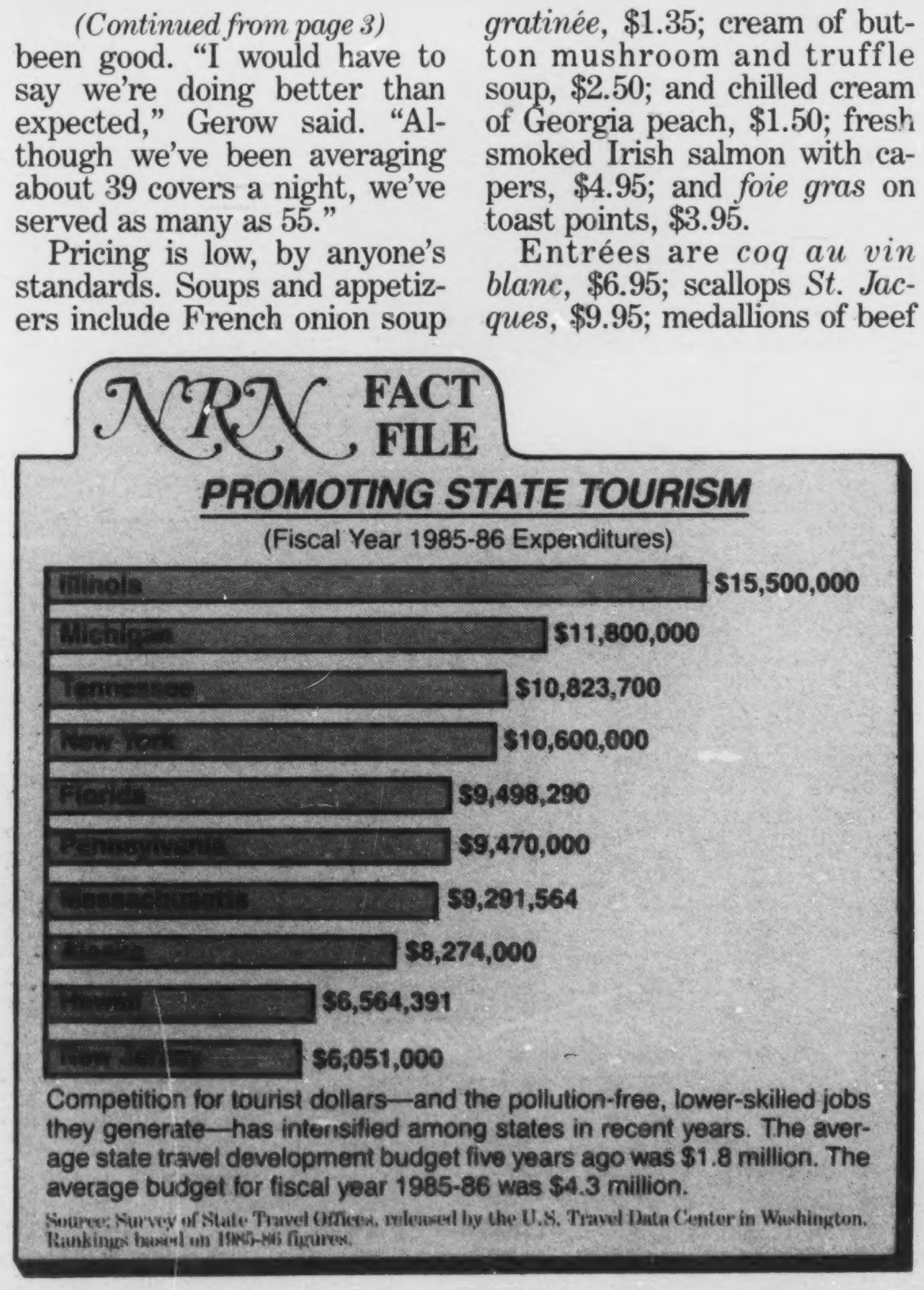
Gerow has kept advertising to a minimum, having spent only about $500 since Mon Petit opened. "We've been running our menu in the local paper once a week," he said. Mon Petit also buys three minutes of advertising a day for $7 a minute on the local radio station. "But since the station doesn't have a lot of paid advertising, our ad gets run about 35 times a day," he said.

But, as Gerow observes, word-of-mouth has been good, and Mon Petit is already building a repeat clientele. "About a dozen people have returned to dine here every weekend since we've opened," he said.

In fact, both Perlis and Gerow are so optimistic about the future of Cordele's only French restaurant that they're already beginning to hunt for a new location downtown. Ideally, they would like to find an older, charming house that would fit into the country French motif they are envisioning for the planned restaurant.

Plans also call for opening Tuesday through Saturday for lunch and dinner.

"Basically, we're still kind of a novelty in our present location," Gerow said. "We're still getting customers who tell their guests, 'You're not going to believe where we're eating tonight.' "



NRN FACT FILE

PROMOTING STATE TOURISM

(Fiscal Year 1985-86 Expenditures)

Competition for tourist dollars—and the pollution-free, lower-skilled jobs they generate—has intensified among states in recent years. The average state travel development budget five years ago was $1.8 million. The average budget for fiscal year 1985-86 was $4.3 million.

Source: Survey of State Travel Offices, released by the U.S. Travel Data Center in Washington. Rankings based on 1985-86 figures.

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Vol. 20, No. 33 August 11, 1986

Food-service covers in hotels showed year-to-year decline

Some properties, however, bucked the trend

PHILADELPHIA — The number of food-service covers served within hotels slipped year-to-year in February for the second consecutive month despite "surprisingly strong" room occupancy rates, said the accounting firm Laventhol & Horwath in its most recent monthly report.

However, the concern said, hotels with more than 600 rooms and lodging properties at airports bucked the trend, posing food-and-beverage traffic gains of 3.8% and 3% respectively, compared with the industry-wide decline of 0.7%.

Food-and-beverage directors of the major hotel chains attributed the continued softening of traffic to fierce competition from freestanding restaurants, particularly at breakfast.

"I've never seen it as competitive as it is right now," Karl Kilburg, vice president of food-and-beverage for Marriott Hotels and Resorts, said in a recent interview. Kilburg said cover counts within Marriott hotels have been running slightly above last year's tallies.

During February, Laventhol & Horwath noted in a just-released report, room occupancy rates inched upward 0.8% to 65.1%, surprising many observers who expected rampant hotel construction to leave more rooms vacant.

> *Hotels attributed the traffic softening to competition from freestanding restaurants.*

The concurrent industry-wide decline in food and beverage covers indicated that hotel food-and-beverage departments captured a smaller portion of a growing market.

Hotels with more than 600 rooms experienced a 1.2% rise in occupancy rates, to 69.2%, the report said.

That upturn could explain the upturn in food-and-beverage covers within hotels of that size.

Occupancy rates within airport lodging properties crept upward only 0.6%, to 70.1%. However, airport hotels had the lowest average receipt-per-cover, at $7.93, of any type of lodging property. Many hotel food-and-beverage executives have contended that properties offering the best value are landing the most business.

The average hotel receipt-per-cover, a measure that includes banquet departments as well as restaurants, rose by 4.6% from the year-earlier period, to $10.07, Laventhol & Horwath noted in a just-released report.

Food-and-beverage sales per occupied room increased 2.0% to $39.32.

The tally of covers served in hotels during the first two months of 1986 is running some 3% below the figure for the same period of 1985, Laventhol & Horwath said.

Hotel cover counts rose in November and December of 1985 after steadily declining during the previous 10 months, according to earlier reports from the accounting firm.

HOTEL FOOD-SERVICE TRENDS

(Feb. 1986 Vs. Feb. 1985)

	No. of Covers	Avg. Receipt per Cover		Sales per Occupied Room	
	$ Change	Feb. '86	Feb. '85	Feb. '86	Feb. '85
Industrywide	– 0.7	$10.07	$ 9.63	$39.32	$38.57
Region					
Northeast	– 1.2	12.01	11.52	38.90	37.87
Southeast	2.4	9.54	9.29	38.01	38.93
North central	– 2.7	8.13	7.87	36.52	35.99
South central	– 1.8	9.52	9.22	34.68	33.46
West	– 2.0	10.66	9.87	47.92	45.16
Affiliation					
Chain	– 0.1	9.76	9.34	36.98	35.91
Independent	– 2.4	10.99	10.47	47.83	48.47
Location					
Center City	0.5	11.38	10.87	40.04	37.76
Suburban	– 4.1	9.10	8.93	36.46	36.44
Airport	3.0	7.93	7.83	30.42	30.61
Highway	– 4.3	8.36	7.74	30.14	31.23
Resort	– 0.5	10.47	9.89	50.45	50.49
Size					
Under 150 rooms	– 7.6	7.62	7.25	38.00	38.13
150-299 rooms	– 0.7	8.22	7.92	33.28	33.42
300-600 rooms	– 2.7	10.95	10.29	43.30	41.73
600 + rooms	3.8	11.41	11.16	41.55	40.47
Type					
Hotel	– 0.6	10.41	9.99	44.19	42.93
Motel	0.7	8.36	8.07	25.44	25.76
Economy	– 7.4	3.26	3.37	18.96	19.07
All-suites	–14.7	13.41	10.22	42.55	42.30

Source: Laventhol & Horwath

Hotel/Motel, Restaurant Show to be held in new site

60,000 exhibitors will meet in Javits Convention Center

NEW YORK — A crowd of 60,000 hoteliers, restaurateurs, institutional feeders and suppliers is expected to converge on the new Jacob K. Javits Convention Center here Nov. 2-5 for the 72nd International Hotel/Motel & Restaurant Show.

The exhibition will be held in conjunction with the American Hotel & Motel Association's annual fall conference, which will be headquartered at the Vista Hotel in downtown Manhattan.

This year will be the first time in 71 years that the IH/M&RS has not been held at the New York Coliseum. By moving into the much larger Convention Center, the show will be able to feature 28% more exhibits, or a total of 800, on 200,000 sq. ft. of floor space, or 65% more than was available in the Coliseum, according to spokespersons.

Other attractions at this year's show will include the Salon of Culinary Art, where tallow sculptures and elaborate food platings are displayed. The Society of Culinaire Philanthropique, an organization of chefs, promises to have some of its well-known members demonstrate their methods of preparing and presenting foods.

Twenty-one seminars are planned to be held. Scheduled topics range from "Food and beverage upselling" to "Answers to the Insurance Crises" to "PC applications with off-the-shelf software." Among the scheduled presenters are educators, consultants, developers and operators of hospitality facilities of all sizes.

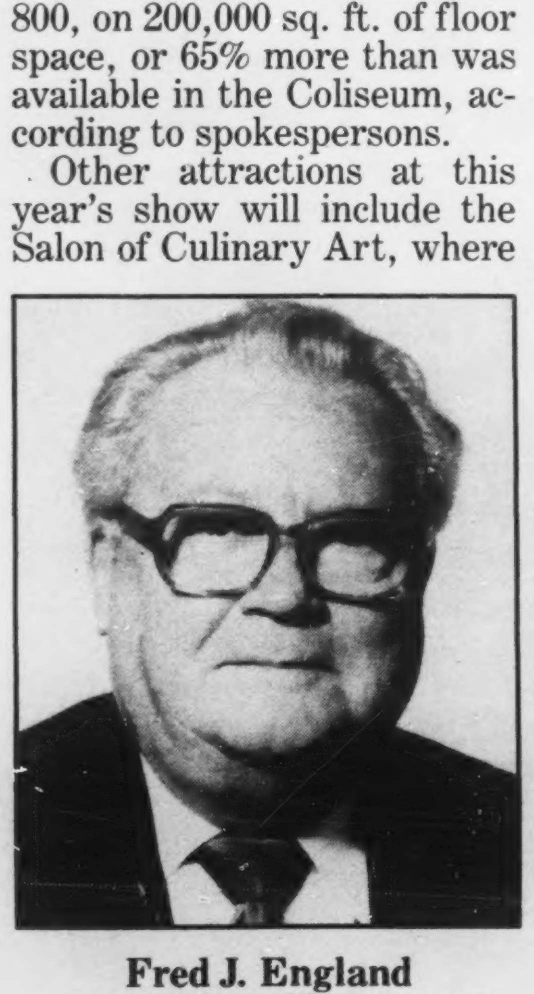
The show's keynote address will be delivered by opera singer Beverly Sills.

The theme of this year's IH/MR&S is "The Key to World Hospitality." Serving as chairman of the show is Fred J. England, chief operating executive of Roger Smith Hotels Corp., operator of seven hotels.

The show is co-sponsored by the AH&MA, the New York State Hotel & Motel Association and the Hotel Association of New York City.

Parties interested in attending the 72nd Hotel/Motel & Restaurant Show are encouraged to contact show manager George Little Management Inc. in New York.

Pictured above, the Societie Culinaire Philanthropique, an international organization committed to perfection in the culinary arts, will conduct its culinary demonstrations at this year's annual show. At right, gourmet masterpieces will be displayed at the 118th annual Salon of Culinary Art, in the Special Events Hall. This is a sculpture of a chef's hat done in tallow.



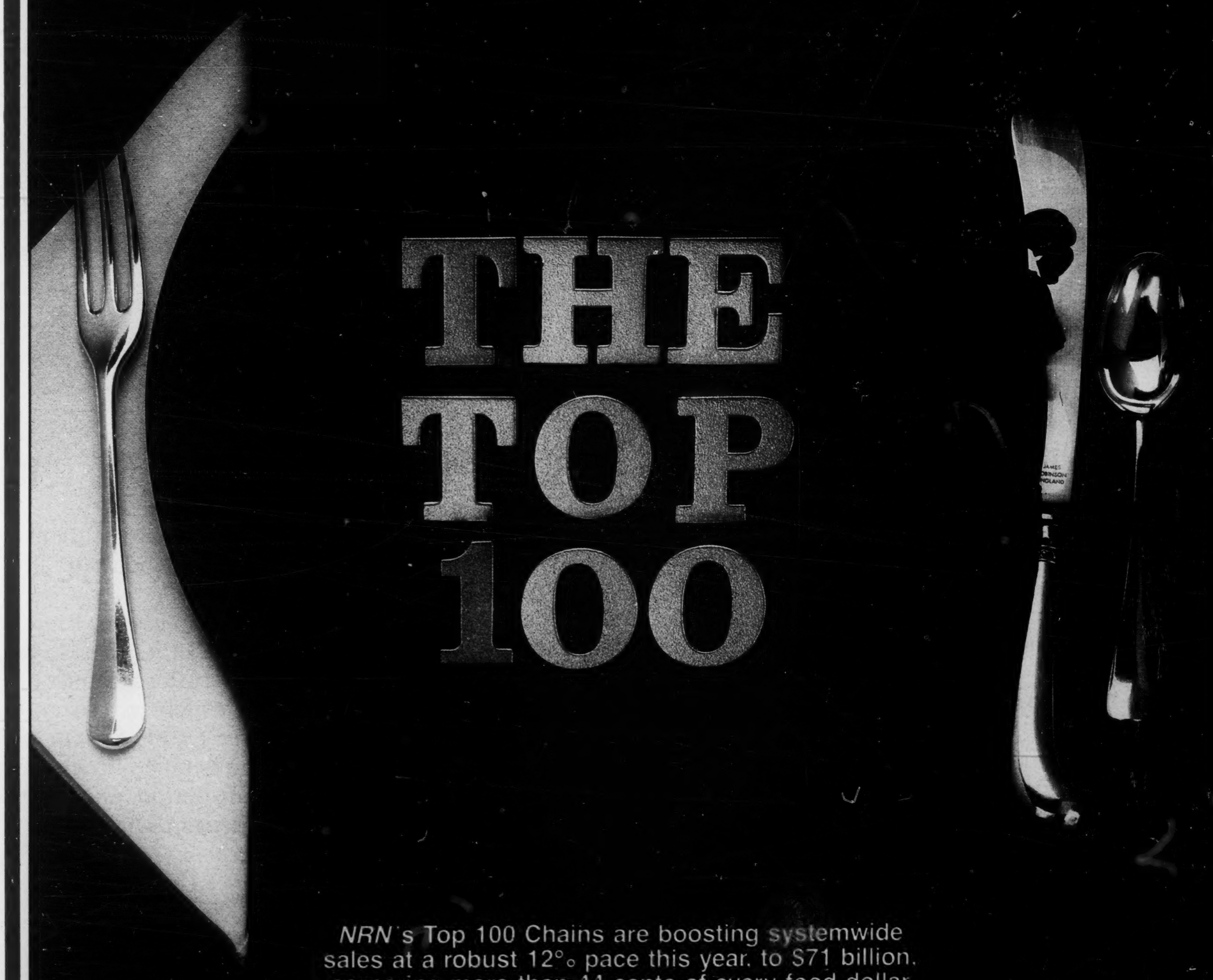
Fred J. England
1986 Show Chairman

Beverly Sills
Will deliver keynote

Nation's
Restaurant News

FOCUS

CHAIN ANALYSIS: PART ONE



NRN's Top 100 Chains are boosting systemwide sales at a robust 12% pace this year, to $71 billion, cornering more than 44 cents of every food dollar spent dining out. But with 8,900 new outlets scheduled this year, their expansion rate is slowing to 9%. And traffic counts remain in a slump.

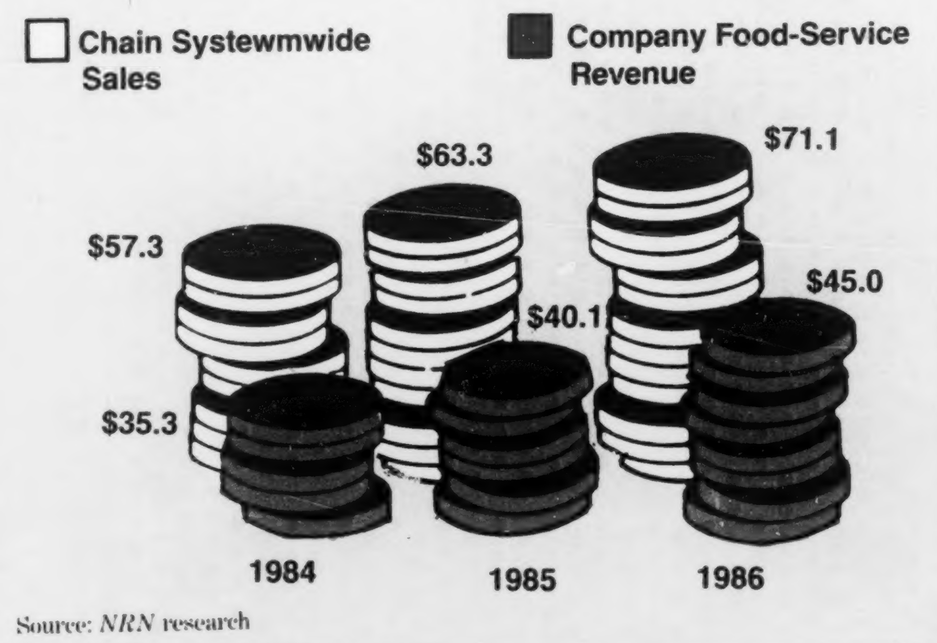
F1

MIGHTY McDONALD'S TOPS THE TOP 100

THE TOP 100

THE TOP 100: SET FOR DOLLAR GAINS . . .

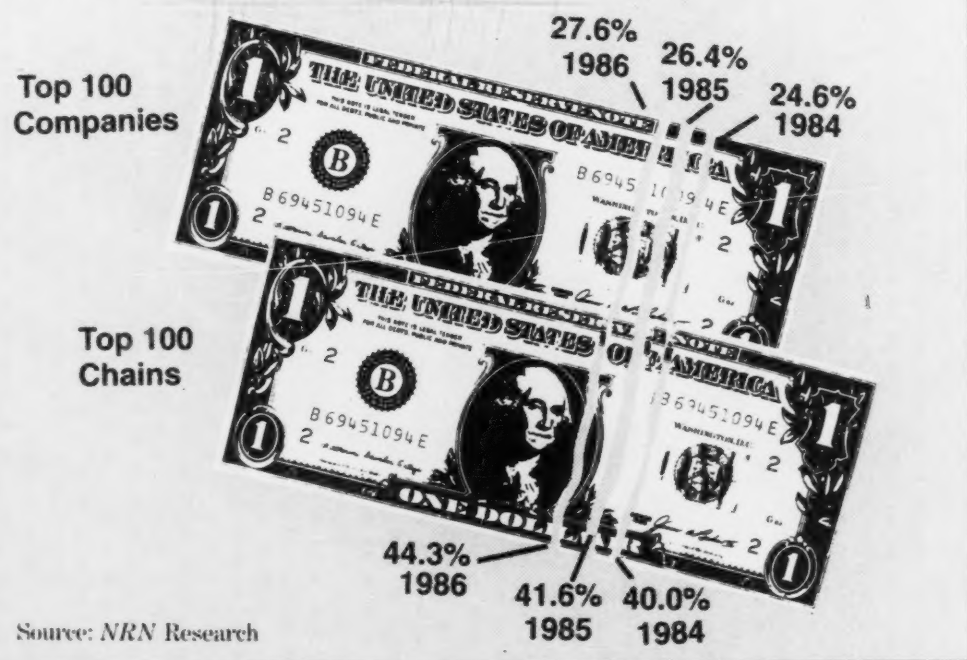
(In $ Billions)



Source: *NRN* research

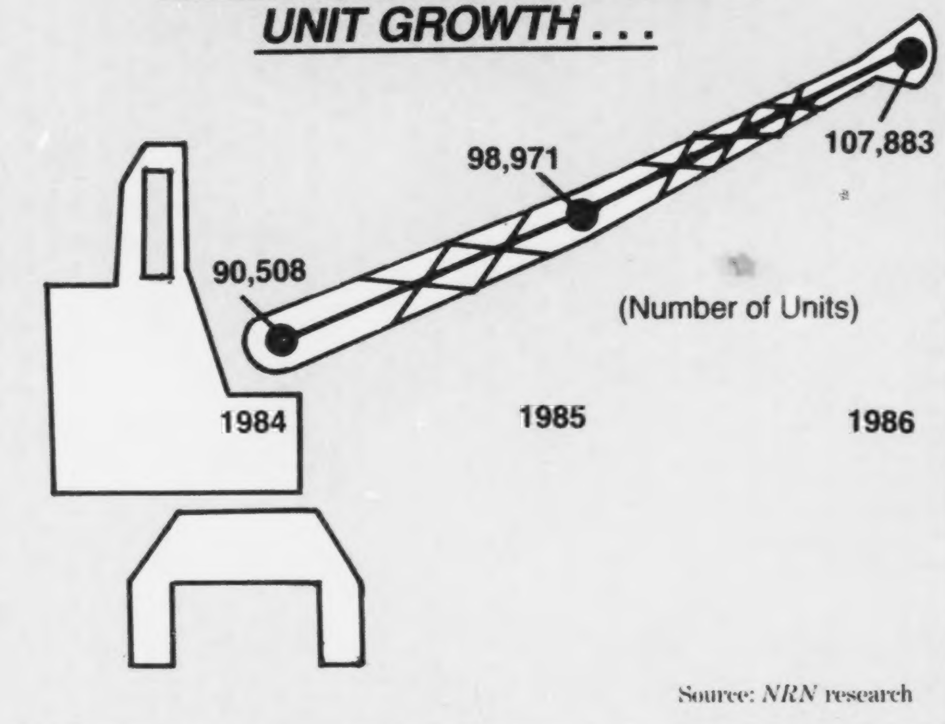
AND MARKET SHARE GAINS . . .

(Percentage of Total Industry)



Source: *NRN* Research

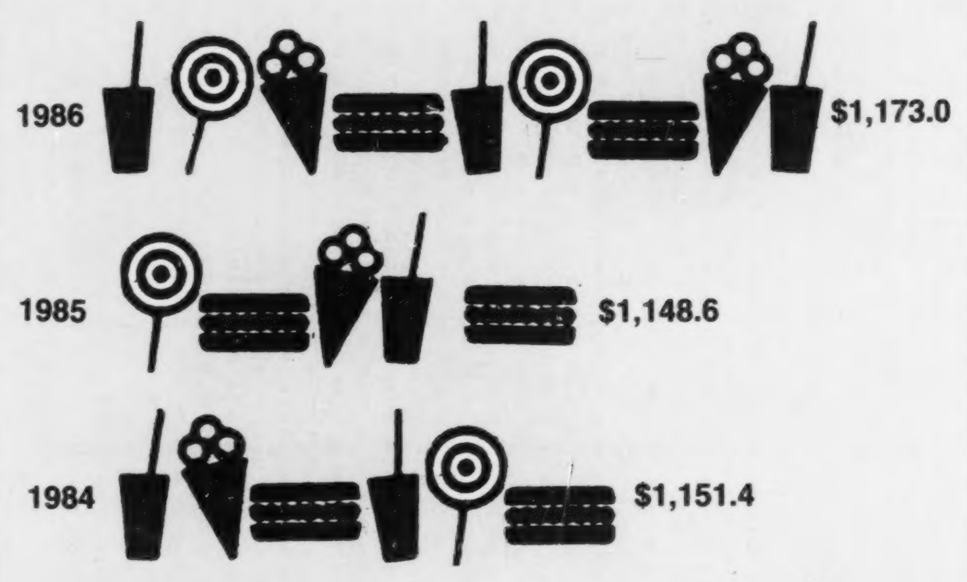
BUT THEY ARE TEMPERING UNIT GROWTH . . .



Source: *NRN* research

. . . AS SALES PER UNIT REMAIN SOFT

(In $ Thousands)



Source: *NRN* research

***NRN* Special Report**

McDonald's, a brand name synonymous with American consumerism, remains, for the 14th year in a row, the unchallenged champion of the food-service industry's title of volume leader, according to the *Nation's Restaurant News* 1986 Top 100.

NRN projects the chain, which first claimed the top spot from Kentucky Fried Chicken after launching the Quarter Pounder in 1973, will gross $12.5 billion in systemwide sales from 9,460 domestic restaurants this year. McDonald's sales outstrip the combined total of the next three hamburger chains.

The Burger King, Kentucky Fried Chicken, Wendy's and Hardee's rankings also remain unchanged from those of last year.

But Marriott Food Service Management, the nation's biggest contract caterer, is displacing Pizza Hut at sixth place after acquiring Saga's accounts in a takeover that has shaken institutional feeders.

Dairy Queen, at eighth place, is being tail-gated by home-delivered pizza maker Domino's, which jumped three rungs to join the top ten chains in ninth place.

Taco Bell is elbowing past ARA Services to 10th place.

But Taco Bell also holds a special distinction: The only Mexican fast-food chain on this year's Top 100 list, its projected $1.35 billion in systemwide sales makes it bigger than any of five entire Top 100 Chain segments—cafeterias, fast-food fish chains, convenience stores, department store restaurants and theme park outlets.

A corporate battleground

The Top 100 Companies ranking has become a competitive battleground, in which the chief weapons are corporate treasuries and proxy fights.

McDonald's Corp., parent of the chain by the same name, dominates the ranking of the Top 100 Companies, with projected revenue of $4.25 billion.

But No. 2 Marriott Corp., fattened by a slew of acquisitions, is jockeying to within $130 million of the summit this year. Marriott's biggest acquisitions include not only Saga but also Howard Johnson's restaurants.

And No. 4 PepsiCo Inc. is closing in on No. 3 Pillsbury Co., agreeing to acquire Kentucky Fried Chicken from

*(See **McDONALD's**, page F4)*

The annual NRN *Top 100: What it is, how to use it*

Planning for this year's *NRN* Top 100 began as soon as last year's was published. The annual project involves the nation's largest and most experienced staff of food-service reporters and editors who spend months collecting, collating, correlating, interpreting and presenting almost 4,000 separate pieces of information.

The Top 100s rank the nation's biggest food-service operators four ways, and *NRN* editors provide in-depth analyses of the industry's most fought-over battlegrounds. *NRN* explains not only *what* is happening but also *why*.

The key tables are as follows:

- **The Top 100 Chains**, ranked three ways—by Systemwide Sales, Number of Units and Sales per Unit.
- **The Top 100 Companies** are ranked by food-service revenue.
- **The Top 100 Directories**, alphabetically arranged references showing where the Top 100 Chains and the Top 100 Companies rank.

The *NRN* Top 100 delivers a crystal-clear picture of the industry because of its strict and highly developed classifications and its informed projections.

The information is gathered from innumerable contacts throughout the food-service industry, including public reference materials, official and unofficial sources at the chains and companies themselves, franchisees, analysts, consultants and suppliers.

NRN's ranking system accounts for the industry's unique franchise arrangements by distinguishing between chain sales and corporate revenues. In addition, *NRN* data exclude vending machine sales and the activities of noncommercial operators.

NRN uses data from the National Restaurant Association to estimate the size of the nation's total commercial food-service industry. The numbers are $162.92 billion for 1986 and $152.12 billion for 1985.

NRN revises, finalizes estimates

The estimates *NRN* published last year, which are being revised with this edition, generally proved too optimistic in the face of the industry's natural volatility, the economy's general refusal to follow script and refinements in *NRN* research.

NRN provides *preliminary, first revision* and *final* estimates for the industry. The dynamics of the ranking system, which deletes entries from prior years if they fail to appear on the current year's ranking, tends to inflate growth as failing chains and companies drop off the lists, making comparisons for more than three years less reliable.

Here are the first revisions and final estimates for 1985 and 1984, respectively:

- **Top 100 Chain Systemwide Sales:** Last year *NRN* made a preliminary estimate that the Top 100 Chains would garner systemwide sales of $67 billion in 1985. This year, the first revision for 1985 calls for $63.3 billion, a 5.6% downward adjustment. In addition, the 1984 systemwide chain sales' first revision has been finalized at $57.3 billion, from $58.1 billion, a 1.4% reduction from the first revision.
- **Top 100 Chain Number of Units:** *NRN* expected the Top 100 Chains, in its preliminary tally, to finish 1985 with 99,194 outlets. The latest figure is 98,971, a 0.2% change. For 1984 *NRN* last year counted 90,939 units, a 0.5% change from the first revision.
- **Top 100 Chain Sales per Unit:** *NRN* last year projected average sales per unit at the Top 100 Chains would be $1.18 million in 1985. The new estimate is $1.15 million, a 3% variance. Last year *NRN* also estimated 1984's average sales per unit at $1.16 million. The new estimate is $1.15 million, a 0.3% change.
- **Top 100 Company Food-Service Revenue:** Corporate forecasts are more volatile. *NRN* expected the Top 100 Companies to garner 1985 revenues of $44.2 billion last year. The new 1985 figure is $40.1 billion, a 9.2% revision. For 1984, *NRN* estimated Top 100 Company revenue of $37.8 billion, a 6.8% variance.

Chain Analysis, Part One: The Top 100 *was reported on and written by the editorial staff of* Nation's Restaurant News *and edited by senior editor Rick Telberg. Data base programming was directed by assistant managing editor Bob Manas. Reprint requests specifying the issue date should be addressed to editorial assistant Maryann Brunner,* Nation's Restaurant News, *425 Park Ave., New York, N.Y. 10022.*

McDONALD'S TOPS THE TOP 100

'The fastest-growing major segment is pizza, whose operators will boost the segment's sales by 22.7%.'

(Continued from page F3)

RJR Nabisco Inc. Without Kentucky Fried Chicken, RJR Nabisco falls from sixth to 11th place.

Denny's parent, DHI Corp., remains in fifth place.

But Transworld Corp., which has buttressed its Canteen contract-feeding operation with acquisitions, jumps from No. 12 last year to No. 6 this year.

ARA Services Inc. is still No. 7.

But Wendy's International Inc. has taken eighth place from W.R. Grace & Co. Inc.

At No. 10, Imasco Ltd., Hardee's owner, remains the anchor of the top ten Top 100 Companies.

Newcomers, dropouts and leaders

Newcomers to the Top 100 Chains list this year include Radisson hotels and Circle K convenience stores.

Radisson enters at No. 81, with projected systemwide food-service sales, of $200 million. Strengthened by a busy buying spree, Radisson's sales are more than doubling from last year's, a 108% change unmatched by that of any other chain.

Circle K joins the Top 100 Chains at No. 95, a 23% year-to-year systemwide sales gain that puts its fast-food sales at $154 million. Seven-Eleven is the only other grocer on the list.

Radisson's and Circle K's entrances nudged Naugles, a taco chain, and Shakey's, a pizza chain, off the Top 100 Chains ranking this year.

However, the venerable, orange-roofed Howard Johnson's family restaurant chain, which was sold by Imperial Group PLC, leads the losers' list this year.

HoJo, its systemwide sales plummeting to $282.6 million from $456.4, a 38% decline, slips 22 notches to No. 54. Last year there were 600 HoJo restaurants. This year, *NRN* projects, there will be only 362 as they are converted to Marriott-owned Big Boys, other concepts or simply shuttered.

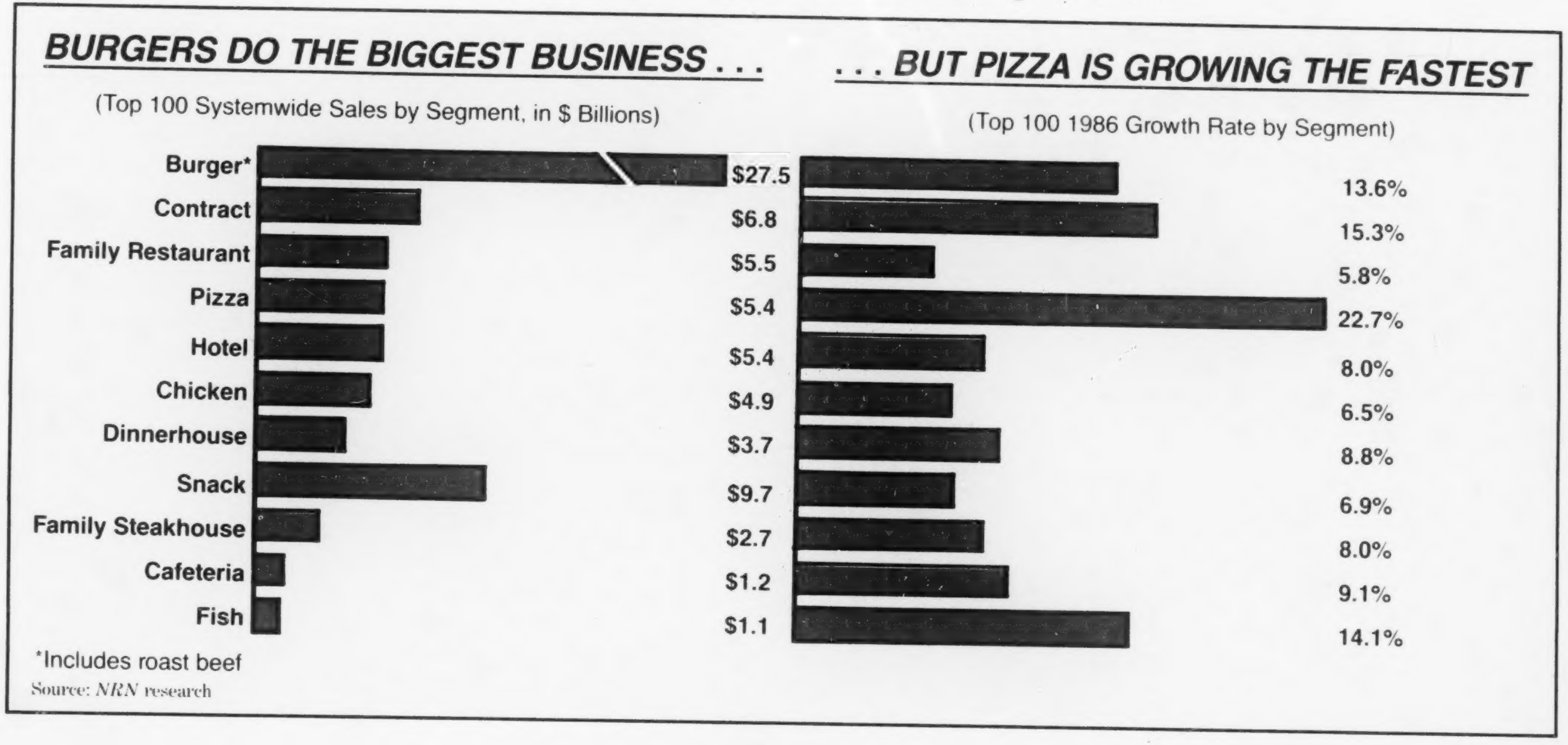
Segment winners and losers

The biggest segment among the Top 100 Chains is hamburgers, which also includes two roast beef chains. The segment should gross $27.5 billion this year, a 13.6% gain from last year's figure. With 28.7% of the Top 100 Chain market, burger operators will add ½ percentage point to their market share.

The fastest-growing major segment is pizza, whose operators will boost the segment's sales by 22.7%. Pizza chains will fatten their share of the Top 100 Chain market by 0.7 percentage points, to 7.6%.

Contract feeders, snack chains and fast-food fish chains are also growing faster than the rest of the Top 100 and reaping market share gains.

But chicken chains, dinnerhouses, family restaurants, family steakhouses and cafeterias are all losing ground in the $71.1 billion Top 100 market.



*Includes roast beef

Source: *NRN* research

TITANS ON THE RUN

(Continued from page 1)

Though bloodied, executives at *NRN* Top 100 Chains and *NRN* Top 100 Companies remain defiantly unbowed. They seem to be betting that seizing the high ground is easiest when adversaries are in retreat.

And they seem to believe experts' predictions that 1986's numbed 2.4% economic growth will rebound to a healthy 3.3% rate in 1987.

The Top 100s fight back

Key findings from the 1986 *NRN* Chain Analysis include:

Systemwide sales: The Top 100 Chains are growing at a stepped-up 12.3% rate in systemwide sales.

TOP 100 HIGHLIGHTS

- **The Leading Chains:**

By Total Sales: McDonald's, $12.5 billion

By Sales Growth: Radisson, up 108%

By Total Units: McDonald's, 9,460 units

By Unit Growth: Marriott Food Service Mgt., up 69%

By Sales per Unit: Westin, $7.8 million

By Sales per Unit Growth: Show-Biz/Chuck E. Cheese's, up 23%

- **The Leading Segment:**

By Total Sales: Burgers, $27.5 billion

By Sales Growth: Pizza, up 23%

- **The Leading Company:**

By Food-Service Revenue: McDonald's Corp., $4.25 billion

At the end of their current fiscal years, they will have rung up $71.1 billion. Last year, according to revised *NRN* estimates, the Top 100 Chains grossed $63.3 billion, a 10.6% increase over the 1984 figure.

By comparison, the nation's commercial food-service industry is expanding only 7.1% this year, to an estimated $162.9 billion, and that figure could be downgraded if the year's first-half sluggishness fails to give way to an industry-wide rebound in coming months. Last year the overall industry grew 6.2%, to $152.1 billion.

Number of units: They are adding new outlets at the rate of 9%, only fractionally slower than 1985's revised 9.4% expansion.

By year's end, there will be 107,883 units, 8,912 more than last year and 17,375 more than two years ago.

Sales per unit: But their unit-level sales will remain stubbornly stagnant, rising only 2.1% this year.

The picture turns even bleaker after stripping away the veneer of the 3.8% menu-price increases that have prevailed so far in 1986. Accounting for inflation, Top 100 Chains will actually lose 1.7% of their customers this year.

Last year, by the same gauge, Top 100 Chains lost 3.6% of the patrons they had a year before, according to updated estimates.

Company revenues: While Top 100 Chains are accelerating sales gains, Top 100 Company revenue trends are moderating, hinting that this may be a year when profits are even harder to build than sales.

NRN expects the nation's biggest food-service concerns to reap $45 billion this year, a robust 12.1% growth rate that is slightly lower than last year's reestimated 13.7% gain.

Shattered hopes and dreams

A devastating glut of restaurants and an economy obstinately unmoved by reduced interest rates, cut-rate oil prices and a devalued U.S. dollar shattered expectations last year and left strategic plans in disarray.

"Both government and industry data showed a perceptible slowdown in eating-out activity activity last year," analysts at the New York investment banking house of Smith Barney, Harris Upham & Co. said in a recent survey, "and, contrary to earlier hopes, this has continued into this year's first half."

The team of observers at Baltimore's Alex. Brown & Sons brokerage agreed. "While a few companies currently are reporting sales increases," they said, "even more are finding it increasingly difficult to keep existing customers and attract new customers."

Top 100 Chains had expected to boost systemwide sales by 15% and Top 100 Companies had planned for 17% revenue growth in *NRN*'s 1985 analysis. By year-end, however, top executives had accomplished only a fraction of what they had intended.

In many cases strategic agendas were set back a year or more. For instance, if all the chains' plans had come to fruition, they would have cornered 44% of the nation's total food-service market in 1985, a figure now not expected to be achieved until this year.

In part, chain executives had pinned their hopes on a 3.1% rebound in unit-level volume gains. But instead of enjoying a turnaround, they were forced to swallow a loss.

But chain managers stubbornly refused to scale back expansion. Instead, they increased their capital spending plans, ending 1985 at a 9.4% rate after planning earlier for a 9.1% rate.

The top 25 vs. the Top 100

Proving that the rich get richer and that power flows to the powerful, the 25 biggest Top 100 Chains and the 25 biggest Top 100 Companies are surging ahead of the pack. For example:

- Systemwide sales for the top quartile of chains are vaulting at almost a 14% rate. But the trailing 75 chains are tagging along at about 9%.
- The top 25 chains will control about 69¢ of every dollar spent at a Top 100 Chain this year, unchanged from the statistic for last year, and 30¢ of every dollar spent in the entire industry, a penny and a half more than the figure for last year.
- The top 25 chains are opening 10% more units this year, faster, by three percentage points, than the laggards in the rest of the Top 100. Last year the top 25 chains consolidated their grip on the food-service landscape largely through acquisitions that fattened their network of outlets by 33% while the rosters of the bottom 75 were winnowed by a crushing 13% loss.
- After coming within a hair's breadth of matching the top 25 companies' revenue growth last year, the bottom 75 are trailing at half the rate of the top 25 this year.

Next week in *NRN*

Chain Analysis, Part Two: Performance Yardsticks, to be published next week, ranks the nation's most prominent food-service companies six ways: by revenue, profit and market value changes and by returns on sales, equity and assets. It takes more than size to shine in the Performance Yardsticks; it takes swiftness and savvy.

THE TOP 100

FOCUS | NRN

TOP 100 CHAINS: Ranked by Systemwide Food-Service Sales

Rank						Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions)		
1986	1985	Chain	Chain Headquarters	Concept	Parent Company		Current	Last Full	Previous
1	1	McDonald's	Oak Brook, Ill.	Burger	McDonald's Corp.	Dec.	$12,520.0	$11,000.0	$10,000.0
2	2	Burger King	Miami, Fla.	Burger	Pillsbury Co.	May	5,085.0	4,500.0	3,990.0
3	3	Kentucky Fried Chicken*	Louisville, Ky.	Chicken	PepsiCo Inc.	Dec.	3,286.0	3,100.0	2,800.0
4	4	Wendy's	Dublin, Ohio	Burger	Wendy's International Inc.	Dec.	3,150.0	2,690.0	2,420.0
5	5	Hardee's	Rocky Mount, N.C.	Burger	Imasco Ltd.	March	2,814.0	2,400.0	2,200.0
6	7	Marriott Food Service Mgt.[1]	Bethesda, Md.	Contract	Marriott Corp.	Dec.	2,290.0	1,586.3	1,069.5
7	6	Pizza Hut	Wichita, Kan.	Pizza	PepsiCo Inc.	Dec.	2,150.0	1,880.0	1,600.0
8	8	Dairy Queen	Minneapolis, Minn.	Ice Cream	International Dairy Queen Inc.	Nov.	1,692.8	1,546.0	1,391.0
9	12	Domino's	Ann Arbor, Mich.	Pizza	Domino's Pizza Inc.	Dec.	1,550.0	1,084.0	626.0
10	11	Taco Bell	Irvine, Calif.	Taco	PepsiCo. Inc.	Dec.	1,351.3	1,155.2	954.5
11	9	ARA Services	Philadelphia, Pa.	Contract	ARA Services Inc.	Sept.	1,338.7	1,299.3	1,241.0
12	10	Sheraton	Boston, Mass.	Hotel	ITT Corp.	Dec.	1,193.7	1,162.9	1,095.0
13	13	Big Boy	Glendale, Calif.	Fam. Rest.	Marriott Corp.	Dec.	1,144.9	1,061.3	1,100.0
14	14	Denny's[2]	La Mirada, Calif.	Fam. Rest.	DHI Corp.	June	1,100.0	1,000.0	1,060.0
15	16	Hilton	Beverly Hills, Calif.	Hotel	Hilton Hotels Corp.	Dec.	945.1	893.0	812.3
16	15	Holiday Inn	Memphis, Tenn.	Hotel	Holiday Corp.	Dec.	936.7	907.6	893.1
17	17	Red Lobster	Orlando, Fla.	Dinnerhouse	General Mills Inc.	May	925.0	875.0	827.0
18	18	Arby's	Atlanta, Ga.	Roast Beef	Royal Crown Cos.	Dec.	915.0	814.0	760.0
19	25	Canteen[2]	Chicago, Ill.	Contract	Transworld Corp.	Dec.	794.7	578.6	429.1
20	19	Marriott Hotel	Bethesda, Md.	Hotel	Marriott Corp.	Dec.	782.2	716.0	697.0
21	20	Long John Silver's	Lexington, Ky.	Fish	Jerrico Inc.	June	770.0	693.0	637.3
22	21	Ponderosa[3]	Dayton, Ohio	Fam. Steak.	Ponderosa Inc.	Feb.	738.0	677.1	694.7
23	23	Shoney's	Nashville, Tenn.	Fam. Rest.	Shoney's Inc.	Oct.	667.0	590.0	514.3
24	22	Church's[4]	San Antonio, Tex.	Chicken	Church's Fried Chicken Inc.	Dec.	645.0	639.9	633.8
25	26	Dunkin' Donuts	Braintree, Mass.	Doughnut	Dunkin' Donuts Inc.	Oct.	640.1	576.7	532.1
26	24	Jack-in-the-Box	San Diego, Calif.	Burger	Foodmaker Inc.	Sept.	620.0	584.3	575.2
27	27	7-Eleven[5]	Dallas, Tex.	C-Store	Southland Corp.	Dec.	591.9	558.4	528.0
28	29	Sizzler[6]	Los Angeles, Calif.	Fam. Steak.	Collins Foods International Inc.	April	585.8	505.0	443.3
29	28	Roy Rogers	Bethesda, Md.	Burger	Marriott Corp.	Dec.	546.8	512.0	483.3
30	33	Western Sizzlin'	Augusta, Ga.	Fam. Steak.	Western Sizzlin Steak Houses Inc.	Oct.	535.5	450.0	395.0
31	31	Friendly Ice Cream	Wilbraham, Mass.	Fam. Rest.	Hershey Food Corp.	Dec.	517.6	471.4	427.1
32	30	Baskin-Robbins	Glendale, Calif.	Ice Cream	Allied-Lyons PLC.	Dec.	503.7	490.0	485.0
33	41	Little Caesar	Farmington Hills, Mich.	Pizza	Little Caesar Enterprises Inc.	Dec.	500.0	340.0	227.0
34	36	Westin	Seattle, Wash.	Hotel	UAL Inc.	Dec.	460.2	419.0	411.0
35	34	Bennigan's	Dallas, Tex.	Dinnerhouse	Pillsbury Co.	May	455.0	424.8	375.0
36	35	Bonanza[7]	Dallas, Tex.	Fam. Steak.	USA Cafes Inc.	Sept.	454.9	420.7	401.0
37	37	Chi-Chi's	Louisville, Ky.	Dinnerhouse	Chi-Chi's Inc.	April	435.0	400.0	335.0
38	38	Dobbs[3]	Memphis, Tenn.	Contract	Carson Pirie Scott & Co.	Feb.	402.0	390.2	377.3
39	43	Popeye's	Jefferson, La.	Chicken	A. Copeland Enterprises Inc.	Dec.	398.7	335.0	303.0
40	39	Service America[4]	Stamford, Conn.	Contract	Allegheny Beverage Corp.	March	395.0	380.5	100.0
41	45	El Torito[8]	Irvine, Calif.	Dinnerhouse	W. R. Grace & Co. Inc.	Dec.	382.6	318.8	250.1
42	40	Sky Chefs	Arlington, Tex.	Contract	Onex Capital Corp.	Dec.	373.4	352.3	332.3
43	44	T.G.I. Friday's	Dallas, Tex.	Dinnerhouse	TGI Friday's Inc.	Dec.	365.8	329.8	309.8
44	42	Carl's Jr.	Anaheim, Calif.	Burger	Carl Karcher Enterprises Inc.	Jan.	355.8	335.7	328.9
45	47	Quality Inn[5]	Silver Spring, Md.	Hotel	Manor Care Inc.	May	342.0	300.0	212.0
46	52	Captain D's	Nashville, Tenn.	Fish	Shoney's Inc.	Oct.	340.0	272.6	236.0
47	49	Rax	Columbus, Ohio	Roast Beef	Rax Restaurants Inc.	July	338.5	299.6	280.0
48	46	Ogden[11]	New York, N.Y.	Contract	Ogden Corp.	Dec.	325.5	300.4	279.0
49	53	Golden Corral	Raleigh, N.C.	Fam. Steak.	Golden Corral Corp.	Dec.	319.4	270.7	216.5
50	48	K mart	Troy, Mich.	In-store	K mart Corp.	Jan.	309.0	299.9	307.5
51	50	Sonic Drive-In	Oklahoma City, Okla.	Burger	Sonic Industries Inc.	Aug.	300.2	292.0	283.1

Explanation of column headings

- **Rank:** 1986 Rank is based on Current Fiscal Year Systemwide Sales. Data for Last Full Fiscal Year, which yields the 1985 Rank, has been revised. So this year's 1985 rankings are not comparable to the rankings appearing in the *Nation's Restaurant News* of Aug. 12, 1985.

- **Chain:** The name of the restaurant, hotel or contract feeding division as it appears on publicly visible signage, logos and trademarks.
- **Chain Headquarters:** The location of the central operating offices of the Chain, which sometimes differs from the location of the central offices of a Chain's Parent Company.

- **Concept:** Chains are classified based on their popular perception, best-selling entrée or market positioning. Abbreviations used: **Fam. Rest.** stands for family restaurant or coffee chop; **Fam. Steak.** stands for family steakhouse or budget steakhouse.
- **Parent Company:** The owner of the Chain's trademarks, copyrights or licensing rights. Often the franchisor.

- **Fiscal Year Ends:** The month in which the fiscal year terminates, often correlating to that of the Parent Company.

- **Systemwide Sales:** Net sales at all units operating under the Chain name. Includes both company-owned and franchised units. Excludes franchise fees, interest income, manufacturing and distribution sales and other revenue not directly resulting from food and beverage sales.
- **Current Fiscal Year:** The 12-month accounting period which is under way as of Aug. 11, 1986. Most often it is calendar year 1986.

- **Last Full Fiscal Year:** The fiscal year most recently completed prior to Aug. 11, 1986. Most often it is calendar year 1985.

- **Previous Fiscal Year:** The year before the Last Full Fiscal Year. Most often, calendar 1984.

- **Source:** All data has been developed by *Nation's Restaurant News*, which is solely responsible for all estimates, projections and analyses.

TOP 100 CHAINS: Ranked by Systemwide Food-Service Sales

Rank						Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions)		
1986	1985	Chain	Chain Headquarters	Concept	Parent Company		Current	Last Full	Previous
52	57	**Godfather's[9]**	Omaha, Neb.	Pizza	Pillsbury Co.	May	$ **299.0**	$ 260.0	$ 345.0
53	51	**Steak and Ale**	Dallas, Tex.	Dinnerhouse	Pillsbury Co.	May	**295.0**	282.0	275.0
54	32	**Howard Johnson's**	North Quincy, Mass.	Fam. Rest.	Franchise Associates Inc.	Dec.	**282.6**	456.4	438.4
55	54	**Pizza Inn**	Dallas, Tex.	Pizza	Pizza Inn Inc.	Dec.	**278.7**	265.5	252.2
56	55	**Morrison's**	Mobile, Ala.	Cafeteria	Morrison Inc.	May	**278.1**	263.0	261.0
57	58	**Ramada Inn**	Phoenix, Ariz.	Hotel	Ramada Inc.	Jan.	**278.0**	257.4	253.1
58	56	**Stuart Anderson's[6]**	Menlo Park, Calif.	Dinnerhouse	Marriot Corp.	June	**275.0**	261.0	261.0
59	64	**White Castle**	Columbus, Ohio	Burger	White Castle Systems Inc.	Dec.	**273.1**	239.9	229.0
60	59	**Delaware North[7]**	Buffalo, N.Y.	Contract	Delaware North Cos. Inc.	Dec.	**270.0**	250.0	225.0
61	60	**Perkins[8]**	Memphis, Tenn.	Fam.Rest.	Tennesse Restaurants Inc.	Jan.	**266.1**	249.1	283.0
62	61	**Disneyland/Disney World**	Burbank, Calif.	Theme Park	Walt Disney Co.	Sept.	**265.8**	241.7	223.8
63	62	**Int'l House of Pancakes**	North Hollywood, Calif.	Fam. Rest.	IHOP Corp.	Dec.	**262.1**	241.0	230.5
64	67	**Po Folks**	Nashville, Tenn.	Fam. Rest.	Po Folks Inc.	Sept.	**255.0**	222.0	159.4
65	75	**Round Table Pizza[9]**	San Francisco. Calif.	Pizza	Round Table Pizza Inc.	Dec.	**252.0**	196.4	162.0
66	65	**Furr's**	Lubbock, Tex.	Cafeteria	K mart Corp.	Dec.	**251.0**	231.2	218.0
67	68	**ShowBiz/Chuck E. Cheese's[10]**	Dallas, Tex.	Pizza	Brock Hotel Corp.	Dec.	**249.0**	217.0	340.0
68	78	**Village Inn**	Denver, Colo.	Fam. Rest.	Vicorp Restaurants Inc.	Oct.	**248.0**	189.0	157.0
69	66	**Whataburger**	Corpus Christi, Tex.	Burger	Whataburger Inc.	Sept.	**244.0**	226.0	210.0
70	69	**Greyhound Food Mgt.**	Phoenix, Ariz.	Contract	Greyhound Corp.	Dec.	**220.1**	215.8	210.0
71	63	**Ground Round**	South Weymouth, Mass.	Dinnerhouse	Hanson Trust	Dec.	**220.0**	240.4	216.3
72	71	**Hyatt Hotel**	Rosemont, Ill.	Hotel	Hyatt Hotel Corp.	Dec.	**218.6**	202.0	187.5
73	76	**Luby's**	San Antonio, Tex.	Cafeteria	Luby's Cafeterias Inc.	Aug.	**217.5**	196.0	175.0
74	72	**Piccadilly**	Baton Rouge, La.	Cafeteria	Piccadilly Cafeterias Inc.	June	**216.0**	201.0	187.0
75	82	**Bob Evans Farms**	Columbus, Ohio	Fam. Rest.	Bob Evans Farms Inc.	April	**213.7**	176.3	139.9
76	70	**Bojangles'**	Charlotte, N.C.	Chicken	Horn & Hardart Co.	Dec.	**212.0**	210.0	182.0
77	79	**Custom Management**	Kingston, Pa.	Contract	Custom Management Corp.	June	**211.6**	184.0	175.0
78	81	**Marie Callender's Pie Shops**	Phoenix, Ariz.	Fam. Rest.	Ramada Inc.	Dec.	**207.8**	180.0	165.0
79	74	**Carvel**	Yonkers, N.Y.	Ice Cream	Carvel Corp.	Dec.	**205.9**	198.0	190.3
80	73	**Grandy's[6]**	Lewisville, Tex.	Chicken	Marriott Corp.	June	**204.0**	200.0	123.9
81	N.R.	**Radisson**	Minneapolis, Minn.	Hotel	Carlson Cos.	Dec.	**200.0**	96.2	64.4
82	77	**Wyatt**	Dallas, Tex.	Cafeteria	Wyatt Cafeterias Inc.	Dec.	**198.8**	193.0	192.0
83	87	**Seiler**	Waltham, Mass.	Contract	Sodexho S.A.	Aug.	**187.0**	163.0	147.9
84	93	**Chili's**	Dallas, Tex.	Dinnerhouse	Chili's Inc.	June	**185.3**	154.1	103.9
85	80	**Quincy's**	Spartanburg, S.C.	Fam. Steak.	Transworld Corp.	Dec.	**181.0**	183.2	174.9
86	85	**Western Steer**	Claremont, N.C.	Fam. Steak.	Western Steer-Mom 'n' Pop's Inc.	Feb.	**181.1**	166.2	157.1
87	88	**Chick-fil-A**	Atlanta, Ga.	Chicken	Chick-fil-A Inc.	Dec.	**176.0**	161.5	153.3
88	94	**Country Kitchen**	Minneapolis, Minn.	Fam. Rest	Carlson Cos.	Dec.	**175.0**	153.0	144.6
89	86	**Waffle House**	Norcross, Ga.	Fam. Rest.	Waffle House Inc.	Dec.	**174.9**	163.8	152.1
90	83	**Winchell's[11]**	La Mirada, Calif.	Doughnut	DHI Corp.	June	**173.9**	170.0	183.0
91	84	**Krystal**	Chattanooga, Tenn.	Burger	Krystal Co.	Dec.	**172.5**	168.0	162.0
92	89	**Szabo**	Oak Brook, Ill.	Contract	Szabo Food Services Inc.	Sept.	**164.4**	158.1	149.5
93	90	**A&W**	Dearborn, Mich.	Burger	A&W Restaurants Inc.	Dec.	**157.5**	156.0	155.0
94	91	**Tastee Freeze**	Utica, Mich.	Ice Cream	DeNovo Corp.	Dec.	**155.0**	155.0	150.0
95	N.R.	**Circle K**	Phoenix, Ariz.	C-Store	Circle K Corp.	April	**154.0**	125.0	96.0
96	97	**Mr. Steak**	Denver, Colo.	Fam. Steak.	Mr. Steak Inc.	Dec.	**152.6**	144.0	148.0
97	99	**Mr. Gatti's**	Austin, Tex.	Pizza	LD Brinkman Corp.	July	**151.8**	138.0	137.0
98	92	**F. W. Woolworth**	New York, N.Y.	In-store	F. W. Woolworth & Co. Inc.	Jan.	**150.0**	154.9	155.0
99	96	**Brown Derby**	Cleveland, Ohio	Dinnerhouse	Brown Derby Inc.	May	**147.9**	145.0	142.0
100	98	**York**	Columbus, Ohio	Fam. Steak.	General Mills Inc.	May	**145.0**	142.9	141.9
TOTAL Top 100 Chains							**$71,136.9**	**$63,322.0**	**$57,264.0**

Source: *NRN* research

Footnotes

*Kentucky Fried Chicken is being sold to PepsiCo Inc. by RJR Nabisco Inc.

[1] Marriott Food Service Management includes a prorated share of Saga Corp.'s fiscal year results.

[2] Canteen estimates reflect acquisition of Interstate United in October 1985.

[3] Dobbs estimates include results from Dobbs Houses, Dobbs International Services, Carson International and Ridgewell's Inc.

[4] Service America estimates include results from Macke and Servomation.

[5] Quality Inns' estimates include results from an affiliated chain, Quality Royale.

[6] Stuart Anderson's and Grandy's estimates are given for fiscal years ending in June because its former parent, Saga Corp., was on a June fiscal schedule. Marriott Corp., which has acquired Saga, has a fiscal year ending in December.

[7] Delaware North estimates include results from Sportservice, Air Terminal Services and Oceanic Butler.

[8] Perkins' parent, Tennessee Restaurant Co., is 79%-owned by Holiday Corp., with 21% owned by Donald N. Smith and Bass Investment.

[9] Round Table's fiscal year ends in June. However, the figures here are for years ending in December.

[10] ShowBiz and Chuck E. Cheese's were competitors until fiscal 1985, when they were merged.

[11] Winchell's estimates reflect the disposition of about 100 units to Bosa Inc. in fiscal 1986.

THE TOP 100

FOCUS NRN

TOP 100 COMPANIES: Ranked by Food-Service Revenue

Rank		Company	Company Headquarters	Key Concepts	Fiscal Year Ends	Revenue (By Fiscal Year, in Millions)		
1986	1985					Current	Last Full	Previous
1	1	**McDonald's Corp.**	Oak Brook, Ill.	McDonald's	Dec.	$ 4,251.0	$ 3,761.0	$ 3,415.0
2	2	**Marriott Corp.**	Bethesda, Md.	Hotels, Contract, Big Boy, Roy Rogers	Dec.	4,120.6	2,984.8	2,457.9
3	3	**Pillsbury Co.**	Minneapolis, Minn.	Burger King, Godfather's, Bennigan's	May	3,090.6	2,663.2	2,053.3
4	4	**PepsiCo Inc.***	Purchase, N.Y.	Kentucky Fried Chicken, Pizza Hut, Taco Bell	Dec.	2,696.3	2,081.1	1,833.5
5	5	**DHI Corp.**	La Mirada, Calif.	Denny's, Winchell's, El Pollo Loco	June	1,370.0	1,350.0	1,300.0
6	12	**Transworld Corp.**[1]	New York, N.Y.	Canteen, Hardee's, Quincy	Dec.	1,359.3	1,043.6	854.1
7	7	**ARA Services Inc.**	Philadelphia, Pa.	Contract	Dec.	1,344.3	1,290.0	1,241.0
8	9	**Wendy's International Inc.**	Dublin, Ohio	Wendy's, Sisters	Dec.	1,321.0	1,125.6	944.8
9	8	**W. R. Grace & Co. Inc.**[2]	New York, N.Y.	El Torito, Carrows, Houlihan's, Del Taco	Dec.	1,228.0	1,204.0	1,157.0
10	10	**Imasco Ltd.**	Montreal, Canada	Hardee's, Casa Grisanti	March	1,220.0	1,100.0	1,000.0
11	6	**RJR Nabisco Inc.***	Winston-Salem, N.C.	Kentucky Fried Chicken	Dec.	1,033.5	1,300.0	1,338.0
12	11	**General Mills Inc.**	Minneapolis, Minn.	Red Lobster, York, Olive Garden	May	1,085.0	1,050.0	1,140.0
13	18	**Domino's Pizza Inc.**	Ann Arbor, Mich.	Domino's	Dec.	725.0	540.0	320.0
14	17	**Shoney's Inc.**	Nashville, Tenn.	Shoney's, Captain D's, Lee's	Oct.	635.0	546.6	477.0
15	13	**Jerrico Inc.**	Lexington, Ky.	Long John Silver's, Jerry's	June	630.0	569.7	518.2
16	14	**Southland Corp.**	Dallas, Tex.	7-Eleven	Dec.	591.9	558.4	528.0
17	21	**Morrison Inc.**	Mobile, Ala.	Morrison, Ruby Tuesday, Contract	June	578.5	524.3	484.0
18	20	**Foodmaker Inc.**[3]	San Diego, Calif.	Jack-in-the-Box	Sept.	563.9	531.0	0.0
19	19	**K mart Corp.**	Troy, Mich.	In-Store, Furr's, Bishop's Buffet	Jan.	560.0	531.2	525.5
20	16	**Church's Fried Chicken Inc.**	San Antonio, Tex.	Church's	Dec.	551.0	548.7	545.3
21	26	**Carlson Cos.**[4]	Minneapolis, Minn.	T.G.I. Friday's, Country Kitchen, Radisson	Dec.	544.2	424.9	390.0
22	22	**Ponderosa Inc.**	Dayton, Ohio	Ponderosa, Casa Lupita	Feb.	534.4	490.3	513.1
23	23	**Hershey Foods Corp.**	Hershey, Pa.	Friendly Ice Cream	Dec.	517.6	471.4	421.1
24	24	**Collins Foods International Inc.**[5]	Los Angeles, Calif.	Sizzler, Kentucky Fried Chicken, Naugles	April	475.7	465.9	305.4
25	27	**UAL Inc.**	Elk Grove, Ill.	Westin	Dec.	460.2	419.0	411.0
26	29	**Vicorp Restaurants Inc.**	Denver, Colo.	Village Inn, Bakers Square	Oct.	453.0	383.8	242.3
27	25	**Carson Pirie Scott & Co.**[6]	Chicago, Ill.	Dobbs, Toddle House	Feb.	423.6	442.9	434.6
28	30	**Allegheny Beverage Corp.**	Cheverly, Md.	Service America Corp.	March	395.0	380.5	100.0
29	33	**Golden Corral Corp.**	Raleigh, N.C.	Golden Corral, Oh!Brian's	Dec.	377.7	320.1	216.5
30	31	**Onex Capital Corp.**[7]	Toronto, Canada	Sky Chefs, Rainbow House, The Chefs	Dec.	373.4	352.3	332.3
31	28	**Holiday Corp.**[8]	Memphis, Tenn.	Holiday Inns, Harrah's,Crowne Plaza, Embassy	Dec.	365.6	387.2	411.7
32	32	**Carl Karcher Enterprises Inc.**	Anaheim, Calif.	Carl's Jr.	Jan.	346.8	327.2	335.2
33	34	**Ogden Corp.**	New York, N.Y.	Contract	Dec.	325.5	300.4	279.0
34	35	**Chi-Chi's Inc.**	Louisville, Ky.	Chi-Chi's	April	310.0	261.0	192.9
35	37	**Greyhound Corp.**	Phoenix, Ariz.	Contract, Burger King, Cassano's	Dec.	282.1	247.3	235.0
36	39	**White Castle Systems Inc.**	Columbus, Ohio	White Castle	Dec.	273.1	239.9	229.0
37	36	**Delaware North Cos.**	Buffalo, N.Y.	Sportservice, Air Terminal, Oceanic Butler	Dec.	270.0	250.0	225.0
38	38	**Walt Disney Co.**	Burbank, Calif.	Theme Parks	Sept.	265.8	241.7	223.8
39	40	**Boddie-Noell Enterprises Inc.**	Rocky Mount, N.C.	Hardee's	Sept.	250.0	226.0	210.0
40	42	**Nestle S.A.**	Vevey, Switzerland	Stouffer, Cheese Cellar, Rusty Scupper	Dec.	224.0	200.1	225.0
41	41	**Hyatt Hotels Corp.**	Rosemont, Ill.	Hyatt Hotels	Jan.	218.6	202.0	187.5
42	45	**Luby's Cafeterias Inc.**	San Antonio, Tex.	Luby's	Aug.	217.5	196.0	171.0
43	43	**Piccadilly Cafeterias Inc.**	Baton Rouge, La.	Piccadilly	June	216.0	200.0	187.0
44	50	**Bob Evans Farms Inc.**	Columbus, Ohio	Bob Evans Farms	April	213.7	176.3	139.9
45	47	**Custom Management Corp.**	Kingston, Pa.	Contract	June	211.6	184.0	175.0
46	44	**Pizza Inn Inc.**	Dallas, Tex.	Pizza Inn, J. T. McCord's	Dec.	205.3	199.3	185.6
47	66	**Little Caesar Inc.**	Farmington Hills, Mich.	Little Caesar Pizza, Wendy's, Chuck E. Cheese	Dec.	201.0	141.7	96.1
48	51	**Shoney's South Inc.**	Memphis, Tenn.	Shoney's, Captain D's	Dec.	200.0	175.0	168.6
49	46	**Wyatt Cafeterias Inc.**	Dallas, Tex.	Wyatt	Dec.	198.8	193.0	192.0
50	76	**Ramada Inc.**[9]	Phoenix, Ariz.	Ramada Inns, Marie Callender's, Tropicana	Jan.	198.4	110.2	126.1
51	56	**Sodexho S.A.**[10]	Paris, France	Seiler	Aug.	187.0	163.0	147.9

Explanation of column headings

- **Rank:** 1986 Rank is based on Current Fiscal Year Revenue. Data for Last Full Fiscal Year, which yields the 1985 Rank, has been revised. So this year's 1985 rankings are not comparable to the rankings appearing in the *Nation's Restaurant News* of Aug. 12, 1985.

- **Company:** The name of the corporate entity which receives food-service revenue. Publicly traded subsidiaries of parent companies are listed individually.
- **Company Headquarters:** The location of the central offices of the Company, which sometimes differs from the location of the central offices of a Company's Key Concepts.

- **Key Concepts:** The name of the Chain or the type of food-service activity which produces the largest food-service revenues for the Company.

- **Fiscal Year Ends:** The month in which the fiscal year terminates, often correlating to that of the Company's Key Concepts.
- **Revenue:** Derived from food-service activities only. Includes sales from company-owned facilities, franchise and technical assistance income, gains and losses from asset divestitures and acquisitions routinely encountered in the operation of a food-service business, and interest income to finance working capital needs or expansion. Excludes manufacturing, wholesale and distribution revenue and sales generated at franchised facilities.

- **Current Fiscal Year:** The 12-month accounting period which is under way as of Aug. 11, 1986. Most often it is calendar year 1986.
- **Last Full Fiscal Year:** The fiscal year most recently completed prior to Aug. 11, 1986. Most often it is calendar year 1985.

- **Previous Fiscal Year:** The year before the Last Full Fiscal Year. Most often, calendar 1984.

- **Source:** All data has been developed by *Nation's Restaurant News*, which is solely responsible for all estimates, projections and analyses.

TOP 100 COMPANIES: Ranked by Food-Service Revenue

Rank 1986	Rank 1985	Company	Company Headquarters	Key Concepts	Fiscal Year Ends	Revenue (By Fiscal Year, in Millions) Current	Last Full	Previous
52	49	ITT Corp.	Boston, Mass.	Sheraton Hotels	Dec.	$ 186.4	$ 177.5	$ 175.0
53	52	Hilton Hotels Corp.	Beverly Hills, Calif.	Hilton Hotels	Dec.	185.1	174.9	167.5
54	65	Po Folks Inc.[11]	Nashville, Tenn.	Wendy's, Po Folks	Sept.	185.0	142.6	107.1
55	58	International Dairy Queen Inc.	Minneapolis, Minn.	Dairy Queen, Golden Skillet	Nov.	184.9	159.1	132.3
56	53	Whataburger Inc.	Corpus Christi, Tex.	Whataburger	Sept.	184.8	172.0	160.0
57	15	Hanson Trust[12]	London, England	Ground Round	Oct.	182.9	555.9	530.4
58	55	Specialty Restaurants Corp.	Long Beach, Calif.	94th Aero Squadron, Baby Doe's, Crawdaddy's	June	182.5	165.4	150.0
59	57	Chick-fil-A	Atlanta, Ga.	Chick-fil-A	Dec.	176.0	161.5	153.3
60	48	Riese Organization	New York, N.Y.	Arby's, Roy Rogers, Brew Burger, El Torito	April	175.0	180.0	190.0
61	54	Krystal Co.[13]	Chattanooga, Tenn.	Krystal	Dec.	172.5	168.0	162.0
62	64	Elias Brothers Restaurants Inc.	Warren, Mich.	Big Boy	Dec.	166.3	144.0	121.0
63	59	Szabo Food Services Inc.[14]	Oak Brook, Ill.	Szabo	Sept.	164.4	158.1	149.5
64	61	Harman Management Corp.	Los Altos, Calif.	KFC, H. Salt Esq. Fish & Chips	June	159.0	150.0	135.0
65	71	Circle K Corp.	Phoenix, Ariz.	Circle K	April	154.0	125.0	96.0
66	68	Carrols Corp.[15]	Syracuse, N.Y.	Burger King	May	152.5	136.0	146.0
67	60	F. W. Woolworth & Co. Inc.	New York, N.Y.	In-Store, Burger King	Jan.	150.0	155.0	155.0
68	67	Horn & Hardart Co.	New York, N.Y.	Bojangles', Burger King, Arby's	Dec.	148.0	141.0	136.0
69	63	Brown Derby Inc.	Cleveland, Ohio	Brown Derby	May	147.9	145.0	142.0
70	81	Restaurant Assoc. Inds. Inc.	New York, N.Y.	Acapulco, Charlie Brown's, Mama Leone's	Dec.	147.0	98.5	94.2
71	78	Chili's Inc.	Dallas, Tex.	Chili's Hamburger Grill & Bar	June	141.0	107.0	69.3
72	69	Club Corp. of America	Dallas, Tex.	Country Clubs	Dec.	140.1	129.0	110.0
73	70	Royal Crown Cos.	Atlanta, Ga.	Arby's	Dec.	132.7	126.4	116.4
74	73	Rax Restaurants Inc.	Columbus, Ohio	Rax	July	132.0	122.3	113.2
75	72	Frisch's Restaurants Inc.	Cincinnati, Ohio	Big Boy, Roy Rogers	June	130.0	124.5	120.6
76	62	Brock Hotel Corp.	Dallas, Tex.	ShowBiz Pizza, Chuck E. Cheese, Hotels	Dec.	129.9	145.8	120.3
77	82	JB's Restaurants Inc.	Salt Lake City, Utah	Big Boy	Sept.	124.4	96.3	68.3
78	74	Walgreen Co.	Deerfield, Ill.	Wag's, In-Store	Aug.	123.8	122.3	119.4
79	77	Braum Ice Cream Stores Inc.	Oklahoma City, Okla.	Braum Ice Cream	Dec.	118.0	110.0	102.0
80	75	Winners Corp.	Brentwood, Tenn.	Mrs. Winners, Wendy's	Dec.	117.8	112.2	108.5
81	79	A. Copeland Enterprises Inc.	Jefferson, La.	Popeye's	Oct.	115.0	102.0	97.0
82	80	Dunkin' Donuts Inc.	Randolph, Mass.	Dunkin' Donuts	Oct.	109.7	99.7	90.2
83	84	Papa Gino's of America Inc.	Dedham, Mass.	Papa Gino's	Sept.	105.0	91.0	77.5
84	86	International King's Table Inc.	Eugene, Ore.	King's Table	June	104.4	86.4	80.7
85	88	Cracker Barrel Old Country Store	Lebanon, Tenn.	Cracker Barrel Old Country Store	July	102.1	83.2	67.5
86	83	El Chico Corp.	Dallas, Tex.	El Chico, Cactus	May	102.0	94.9	89.5
87	85	Tennessee Restaurant Co.[16]	Memphis, Tenn.	Perkins	Dec.	97.7	90.5	0.0
88	87	RTM Inc.	Tucker, Ga.	Arby's	May	94.6	86.0	90.7
89	99	Ryan's Family Steak Houses Inc.	Greenville, S.C.	Ryan's Family Steak House	Dec.	92.3	54.3	32.9
90	97	National Pizza Co.	Pittsburg, Kan.	Pizza Hut	March	89.1	63.1	40.5
91	100	Fuddruckers Inc.	San Antonio, Tex.	Fuddruckers	Dec.	86.2	53.1	24.5
92	95	Calny Inc.	San Mateo, Calif.	Taco Bell	Feb.	84.8	67.8	54.3
93	92	Consolidated Products Inc.[17]	Indianapolis, Ind.	Steak n Shake, Big Wheel	Sept.	82.1	71.7	68.7
94	93	Skipper's Inc.	Bellevue, Wash.	Skipper's	Dec.	80.1	71.2	62.3
95	90	IHOP Corp.	North Hollywood, Calif.	International House of Pancakes	Dec.	80.0	75.7	82.0
96	89	Consul Restaurants Corp.	Minneapolis, Minn.	Chi-Chi's	May	79.9	78.6	87.0
97	96	McFaddin Ventures	Houston, Tex.	Night Clubs	Dec.	78.9	65.9	41.7
98	91	Waffle Houses Inc.	Norcross, Ga.	Waffle House	Dec.	78.1	73.7	71.5
99	98	Rusty Pelican Restaurants Inc.	Irvine, Calif.	Rusty Pelican	July	71.8	59.4	53.7
100	94	Marcus Corp.	Milwaukee, Wis.	Big Boy, KFC	May	69.0	70.0	69.6
TOTAL Top 100 Companies						$44,987.0	$40,119.0	$35,274.3

Source: *NRN* research

Footnotes

*RJR Nabisco Inc. is selling KFC to PepsiCo Inc. Estimates reflect a prorated share of revenue for each company.

[1] Transworld Corp. estimates exclude revenue from school lunch program. Estimates include effects of acquisition of Interstate United.

[2] W.R. Grace & Co. is considering the sale of up to 51% of its restaurant operations to the division's managers in a leveraged buyout. Estimates exclude such a possibility. The estimates include El Torito Restaurants Inc. and Taco Villa Inc.

[3] Foodmaker was formed through a leveraged buyout in 1985. The company was formerly a division of Ralston Purina Co.

[4] Carlson Cos. includes TGI Friday's Inc., a majority-owned subsidiary.

[5] Collins Foods International Inc. acquired control of Naugles Inc. in fiscal 1986.

[6] Carson Pirie Scott & Co. estimate for current fiscal year reflects sale of Steak & Egg chain and the expiration without renewal of food-service management accounts.

[7] Onex Capital Corp. acquired Sky Chefs, now the bulk of its business, from AMR Corp. in a leveraged buyout. Estimates are shown as if Onex always owned Sky Chefs.

[8] Holiday Corp. fiscal 1985 estimate reflects the transfer of Perkins Restaurants Inc. to Tennessee Restaurant Co. in November 1985 as if it were in effect for the full fiscal year. Current fiscal year estimate assumes Holiday will neither increase nor decrease its 79% stake. Holiday uses the equity method of accounting.

[9] Ramada Inc. was formerly Ramada Inns Inc. Current fiscal year includes revenues of prorated share of revenues from recently acquired Marie Callender Pie Shoppes Inc.

[10] Sodexho SA estimates exclude Boat-El, the company's off-shore operations.

[11] Po Folks Inc. is a subsidiary of Krystal Co.

[12] Hanson Trust sold Interstate United to Transworld Corp. in 1985 and bought Imperial Group PLC in 1986.

[13] Krystal Co. estimates exclude Po Folks Inc.

[14] Szabo Food Services Inc. was known as Oak Brook Consolidated before a leveraged buyout.

[15] Carrols Corp. fiscal 1985 revenue includes results of former candy and nut shop division.

[16] Tennessee Restaurant Co. was formed in Nov. 1985, but fiscal 1985 revenues reflect full year results of predecessor Perkins Restaurants Inc. Holiday Corp. owns 79% of the company.

[17] Consolidated Products Inc. was known as Steak n Shake Inc. until May 15, 1984.

THE TOP 100

FOCUS NRN

TOP 100 CHAINS: Ranked by Sales Per Unit

Rank 1986	Rank 1985	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal year, in Thousands) Current	Last Full	Previous
1	1	Westin	Dec.	$7,800.0	$7,800.0	$8,700.0
2	2	Marriott Hotel	Dec.	5,500.0	5,200.0	5,100.0
3	3	Sky Chefs	Dec.	4,196.0	4,140.0	4,150.0
4	4	Hilton	Dec.	3,400.0	3,400.0	3,300.0
5	7	Dobbs	Feb.	3,090.0	3,050.0	2,970.0
6	5	Hyatt Hotel	Dec.	3,000.0	3,100.0	3,000.0
7	6	T.G.I. Friday's	Dec.	2,950.0	3,060.0	3,270.0
8	8	Brown Derby	May	2,689.0	2,636.0	2,583.0
9	9	Luby's	Aug.	2,430.0	2,430.0	2,390.0
10	10	Sheraton	Dec.	2,400.0	2,400.0	2,300.0
11	11	Red Lobster	May	2,305.0	2,270.0	2,235.0
12	12	Bennigan's	May	2,300.0	2,265.0	2,250.0
13	13	Stuart Anderson's	June	2,299.9	2,230.0	2,230.0
14	15	Radisson	Dec.	2,200.0	2,100.0	1,800.0
15	14	Chi-Chi's	April	2,100.0	2,150.0	2,180.0
16	16	El Torito	Dec.	2,099.9	2,087.0	2,073.0
17	18	Piccadilly	June	1,980.0	1,941.0	1,908.0
18	17	Chili's	June	1,910.0	1,950.0	1,960.0
19	20	Morrison's	May	1,850.0	1,741.0	1,734.0
20	19	Furr's	Dec.	1,825.0	1,811.0	1,600.0
21	21	Marie Callender's Pie Shops	Dec.	1,670.0	1,600.0	1,750.0
22	22	Wyatt	Dec.	1,630.0	1,575.0	1,550.0
23	23	Steak and Ale	May	1,525.0	1,520.0	1,500.0
24	24	Po Folks	Sep.	1,500.0	1,495.0	1,490.0
25	28	McDonald's	Dec.	1,374.0	1,297.0	1,260.0
26	25	Shoney's	Oct.	1,355.0	1,350.0	1,340.0
27	26	White Castle	Dec.	1,300.0	1,300.0	1,280.0
28	27	Bob Evans Farms	April	1,299.9	1,299.9	1,250.0
29	34	Sizzler	April	1,240.8	1,128.0	1,020.0
30	32	Disneyland/Disney World	Sep.	1,236.0	1,140.0	1,066.0
31	29	Ogden Allied Services	Dec.	1,205.0	1,216.0	1,213.0
32	30	Big Boy	Dec.	1,200.0	1,190.0	1,150.0
33	37	Denny's	June	1,180.0	1,097.0	1,000.0
34	36	Burger King	May	1,145.0	1,100.0	1,000.0
35	35	York	May	1,142.0	1,125.0	1,100.0
36	31	Grandy's	June	1,120.0	1,160.0	1,278.0
37	33	Ground Round	Dec.	1,090.0	1,139.0	1,118.0
38	39	Ponderosa	Feb.	1,068.6	950.0	1,007.0
39	50	ShowBiz/Chuck E. Cheese's	Dec.	975.0	792.0	958.0
40	38	Marriott Food Service Mgt.	Dec.	964.0	1,040.0	2,150.0
41	40	Delaware North	Dec.	940.8	925.9	900.0
42	46	Seiler	Aug.	930.3	835.9	791.0
43	41	Western Steer	Feb.	925.9	899.0	872.0
44	42	Village Inn	Oct.	920.0	890.0	880.0
45	47	Western Sizzlin'	Oct.	883.5	803.5	774.5
46	43	Quincy's	Dec.	878.0	887.0	958.0
47	44	Roy Rogers	Dec.	875.0	855.0	825.0
48	49	Perkins	Jan.	855.7	798.3	907.1
49	45	Wendy's	Dec.	850.0	848.0	861.0
50	51	Bonanza	Sep.	846.0	777.0	734.0
51	48	Hardee's	Mar.	842.0	803.0	802.0
52	52	Howard Johnson's Restaurant	Dec.	781.0	759.0	731.0
53	56	Mr. Steak	Dec.	779.9	740.0	682.0
54	53	Golden Corral	Dec.	772.5	750.0	720.0
55	55	Jack-in-the-Box	Sep.	735.0	741.0	750.0
56	54	Popeye's	Oct.	720.2	743.0	745.0
57	57	Carl's Jr.	Jan.	720.0	717.0	736.5
58	63	Bojangles'	Dec.	690.0	640.0	553.0
59	60	Rax	July	688.5	662.0	704.0
60	58	Krystal	Dec.	685.0	683.0	692.0
61	62	Friendly Ice Cream	Dec.	672.0	652.0	619.0
62	59	Greyhound Food Management	Dec.	669.1	668.1	667.0
63	61	ARA Services	Sep.	662.7	654.8	636.4
64	64	Szabo	Sep.	643.7	631.1	612.7
65	67	Taco Bell	Dec.	636.0	594.0	550.0
66	65	Country Kitchen	Dec.	634.4	610.0	600.0
67	66	Kentucky Fried Chicken	Dec.	630.0	595.0	565.4
68	71	Captain D's	Oct.	610.0	574.0	539.0
69	68	Whataburger	Sep.	606.0	579.0	553.0
70	70	Arby's	Dec.	601.0	575.0	575.0
71	73	International House of Pancakes	Dec.	563.9	530.0	521.0
72	75	Long John Silver's	June	545.0	515.0	479.8
73	72	Holiday Inn	Dec.	544.9	537.7	526.6
74	74	Chick-fil-A	Dec.	540.0	520.0	525.0
75	69	Custom Management	June	529.0	576.0	700.0
76	76	Round Table Pizza	Dec.	504.0	456.7	440.0
77	79	Domino's	Dec.	480.0	450.0	426.4
78	82	Pizza Hut	Dec.	477.8	422.5	400.0
79	77	Ramada	Jan.	471.7	456.5	443.2
80	78	Mr. Gatti's	July	460.0	453.0	419.0
81	83	Pizza Inn	Dec.	457.0	415.2	396.1
82	81	Dunkin' Donuts	Oct.	450.9	431.9	416.5
83	80	Church's	Dec.	442.2	433.5	445.0
84	84	Canteen	Dec.	418.3	413.5	408.7
85	85	Quality Inn	May	417.2	409.1	382.3
86	87	Godfather's	May	412.5	375.0	390.0
87	88	Dairy Queen	Nov.	377.5	350.6	312.5
88	86	Little Ceasar	Dec.	357.1	377.8	351.9
89	91	Sonic Drive-In	Aug.	322.8	305.0	292.0
90	89	Tastee Freez	Dec.	320.0	320.0	320.0
91	90	Service America	Mar.	316.0	317.0	200.0
92	92	Waffle House	Dec.	306.0	297.0	291.0
93	93	Carvel	Dec.	241.0	234.0	226.0
94	94	A&W	Dec.	235.0	227.0	220.0
95	95	Winchell's	June	223.0	219.0	215.0
96	96	Baskin-Robbins	Dec.	201.7	195.8	188.0
97	97	F. W. Woolworth	Jan.	179.5	180.6	180.4
98	98	K mart	Jan.	169.1	166.6	166.2
99	99	7-Eleven	Dec.	74.2	74.2	70.6
100	100	Circle K	April	38.0	37.0	36.0
TOTAL Top 100 Chains				$1,173.0	$1,148.6	$1,151.4

Sales Per Unit: Units that have been in operation for at least 12 months prior to the end of the fiscal year. The Sales Per Unit table was extracted exclusively from the 'Top 100 Chains: Ranked by Systemwide Sales' table, where additional explanations and footnotes can be found.

Source: *NRN* research

TOP 100 CHAINS: Ranked by Number of Units

Rank 1986	Rank 1985	Chain	Fiscal Year Ends	Number of Units (By Fiscal Year) Current	Last Full	Previous
1	1	McDonald's	Dec.	9,460	8,901	8,304
2	2	7-Eleven	Dec.	7,970	7,519	7,473
3	3	Kentucky Fried Chicken	Dec.	6,729	6,396	6,175
4	6	Pizza Hut	Dec.	5,200	4,450	4,000
5	5	Burger King	May	5,108	4,743	4,197
6	4	Dairy Queen	Nov.	4,900	4,811	4,789
7	8	Circle K	April	4,100	3,435	2,669
8	9	Domino's	Dec.	3,950	2,839	1,865
9	7	Wendy's	Dec.	3,842	3,442	2,992
10	10	Hardee's	March	2,835	2,587	2,358
11	11	Baskin-Robbins	Dec.	2,642	2,502	2,500
12	19	Marriott Food Service Mgt.	Dec.	2,580	1,526	498
13	12	Taco Bell	Dec.	2,423	2,173	1,826
14	13	ARA Services	Sept.	2,020	1,985	1,950
15	15	Canteen	Dec.	1,900	1,750	1,050
16	14	K mart	Jan.	1,827	1,800	1,850
17	18	Arby's	Dec.	1,710	1,539	1,343
18	16	Holiday Inn	Dec.	1,692	1,688	1,696
19	17	Church's	Dec.	1,585	1,549	1,497
20	20	Dunkin' Donuts	Oct.	1,557	1,447	1,359
21	21	Long John Silver's	June	1,459	1,389	1,359
22	25	Little Caesar	Dec.	1,400	900	645
23	23	Service America	March	1,250	1,200	500
24	22	Denny's	June	1,175	1,239	1,140
25	26	Big Boy	Dec.	958	883	925
26	24	Sonic Drive-In	Aug.	931	970	968
27	29	Jack-in-the-Box	Sept.	867	812	788
28	28	Carvel	Dec.	864	842	842
29	27	F. W. Woolworth	Jan.	835	858	859
30	30	Winchell's	June	780	775	866
31	31	Friendly Ice Cream	Dec.	770	752	710
32	33	Quality Inn	May	760	710	555
33	34	Godfather's	May	750	671	895
34	32	Pizza Inn	Dec.	748	727	706
35	35	Ponderosa	Feb.	697	637	656
36	41	Western Sizzlin'	Oct.	670	559	510
37	44	Popeye's	Oct.	640	521	437
38	38	Waffle House	Dec.	609	567	523
39	37	A&W	Dec.	582	598	704
40	46	Shoney's	Oct.	581	498	433
41	40	Ramada	Jan.	580	560	555
42	42	Roy Rogers	Dec.	576	550	537
43	43	Bonanza	Sept.	570	542	550
44	48	Sizzler	April	569	489	465
45	39	Tastee Freez	Dec.	565	565	598
46	45	Rax	July	564	500	443
47	47	Captain D's	Oct.	538	490	456
48	52	Round Table Pizza	Dec.	535	450	430
49	49	Sheraton	Dec.	507	488	473
50	53	Golden Corral	Dec.	488	413	346
51	51	Carl's Jr.	Jan.	480	456	433
52	50	International House of Pancakes	Dec.	465	464	459
53	54	Whataburger	Sept.	402	390	380
54	55	Red Lobster	May	400	386	370
55	58	Custom Management	June	399	320	250
56	36	Howard Johnson's Restaurant	Dec.	362	600	600
57	59	Chick-fil-A	Dec.	350	319	305
58	61	Mr. Gatti's	July	330	305	327
59	57	Greyhound Food Management	Dec.	329	323	315
60	60	Perkins	Jan.	311	312	312
61	56	Bojangles'	Dec.	307	328	329
62	64	Hilton	Dec.	291	270	253
63	65	Delaware North	Dec.	287	269	250
64	63	Village Inn	Oct.	270	275	200
65	68	Ogden Allied Services	Dec.	269	247	230
66	62	ShowBiz/Chuck E. Cheese's	Dec.	268	280	402
67	67	Country Kitchen	Dec.	267	249	242
68	66	Szabo	Sept.	256	251	244
69	69	Krystal	Dec.	252	246	234
70	74	White Castle	Dec.	230	202	190
71	73	Bennigan's	May	223	203	177
72	70	Quincy's	Dec.	218	216	198
73	75	Chi'Chi's	April	217	200	173
74	71	Disneyland/Disney World	Sept.	215	212	210
75	79	Western Steer	Feb.	203	186	187
76	77	Mr. Steak	Dec.	202	190	217
77	72	Ground Round	Dec.	201	210	215
78	76	Seiler	Aug.	200	195	187
79	78	El Torito	Dec.	196	189	125
80	80	Steak and Ale	May	190	185	181
81	81	Grandy's	June	180	180	147
82	83	Bob Evans Farms	April	174	152	124
83	82	Po Folks	Sept.	170	161	132
84	85	Marriott Hotel	Dec.	165	149	143
85	84	Morrison's	May	159	151	147
86	86	Furr's	Dec.	132	129	123
87	87	Dobbs	Feb.	130	128	127
88	98	Radisson	Dec.	129	77	40
89	90	Marie Callender's Pie Shops	Dec.	125	116	109
90	88	Wyatt	Dec.	124	122	120
91	92	T.G.I. Friday's	Dec.	123	113	102
92	89	Stuart Anderson's	June	120	117	117
93	93	Piccadilly	June	117	108	100
94	91	York	May	114	114	129
95	97	Chili's	June	97	79	53
96	94	Luby's	Aug.	94	85	77
97	95	Sky Chefs	Dec.	89	84	80
98	96	Hyatt Hotel	Dec.	85	80	75
99	99	Westin	Dec.	62	56	51
100	100	Brown Derby	May	56	55	52
TOTAL Top 100 Chains				107,883	98,971	90,508

Units: Individual restaurants, hotel properties or contract feeding accounts. The Number of Units table is extracted exclusively from the Top 100 Chains: Ranked by Systemwide Sales' table, where additional explanation and footnotes can be found.

Source: *NRN* research

THE TOP 100

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TOP 100 CHAIN DIRECTORY

Chain	Segment	Parent Company	1986 Rank System-wide Sales	1986 Rank No. of Units	1986 Rank Sales per Unit
A&W	Burger	A&W Restaurants Inc.	93	39	94
ARA Services	Contract	ARA Services Inc.	11	14	63
Arby's	Roast Beef	Royal Crown Cos.	18	17	70
Baskin-Robbins	Ice Cream	Allied-Lyons PLC.	32	11	96
Bennigan's	Dinnerhouse	Pillsbury Co.	35	71	12
Big Boy	Fam. Rest.	Marriott Corp.	13	25	32
Bob Evans Farms	Fam. Rest.	Bob Evans Farms Inc.	75	82	28
Bojangles'	Chicken	Horn & Hardart Co.	76	61	58
Bonanza	Fam. Steak.	USA Cafes Inc.	36	43	50
Brown Derby	Dinnerhouse	Brown Derby Inc.	99	100	8
Burger King	Burger	Pillsbury Co.	2	5	34
Canteen	Contract	Transworld Corp.	19	15	84
Captain D's	Fish	Shoney's Inc.	46	47	68
Carl's Jr.	Burger	Carl Karcher Enterprises Inc.	44	51	57
Carvel	Ice Cream	Carvel Corp.	79	28	93
Chi-Chi's	Dinnerhouse	Chi-Chi's Inc.	37	73	15
Chick-fil-A	Chicken	Chick-fil-A Inc.	87	57	74
Chili's	Dinnerhouse	Chili's Inc.	84	95	18
Church's	Chicken	Church's Fried Chicken Inc.	24	19	83
Circle K	C-Store	Circle K Corp.	95	7	100
Country Kitchen	Fam. Rest.	Carlson Cos.	88	67	66
Custom Management	Contract	Custom Management Corp.	77	55	75
Dairy Queen	Ice Cream	International Dairy Queen Inc.	8	6	87
Delaware North	Contract	Delaware North Cos. Inc.	60	63	41
Denny's	Fam. Rest.	DHI Corp.	14	24	33
Disneyland/Disney World	Theme Park	Walt Disney Co.	62	74	30
Dobbs	Contract	Carson Pirie Scott & Co.	38	87	5
Domino's	Pizza	Domino's Pizza Inc.	9	8	77
Dunkin' Donuts	Doughnut	Dunkin' Donuts Inc.	25	20	82
El Torito	Dinnerhouse	W. R. Grace & Co. Inc.	41	79	16
F. W. Woolworth	In-store	F. W. Woolworth & Co. Inc.	98	29	97
Friendly Ice Cream	Fam. Rest.	Hershey Food Corp.	31	31	61
Furr's	Cafeteria	K mart Corp.	66	86	20
Godfather's	Pizza	Pillsbury Co.	52	33	86
Golden Corral	Fam. Steak.	Golden Corral Corp.	49	50	54
Grandy's	Chicken	Marriott Corp.	80	81	36
Greyhound Food Mgt.	Contract	Greyhound Corp.	70	59	62
Ground Round	Dinnerhouse	Hanson Trust	71	77	37
Hardee's	Burger	Imasco Ltd.	5	10	51
Hilton	Hotel	Hilton Hotels Corp.	15	62	4
Holiday Inn	Hotel	Holiday Corp.	16	18	73
Howard Johnson's Restaurant	Fam. Rest.	Franchise Associates Inc.	54	56	52
Hyatt Hotel	Hotel	Hyatt Hotel Corp.	72	98	6
Int'l House of Pancakes	Fam. Rest.	IHOP Corp.	63	52	71
Jack-in-the-Box	Burger	Foodmaker Inc.	26	27	55
K mart	In-store	K mart Corp.	50	16	98
Kentucky Fried Chicken	Chicken	PepsiCo	3	3	67
Krystal	Burger	Krystal Co.	91	69	60
Little Caesar	Pizza	Little Caesar Enterprises Inc.	33	22	88
Long John Silver's	Fish	Jerrico Inc.	21	21	72
Luby's	Cafeteria	Luby's Cafeterias Inc.	73	96	9
Marie Callender's Pie Shops	Fam. Rest.	Ramada Inc.	78	89	21
Marriott Food Service Mgt.	Contract	Marriott Corp.	6	12	40
Marriott Hotel	Hotel	Marriott Corp.	20	84	2
McDonald's	Burger	McDonald's Corp.	1	1	25
Morrison's	Cafeteria	Morrison Inc.	56	85	19
Mr. Gatti's	Pizza	LD Brinkman Corp.	97	58	80
Mr. Steak	Fam. Steak.	Mr. Steak Inc.	96	76	53
Ogden Allied Services	Contract	Ogden Corp.	48	65	31
Perkins	Fam. Rest.	Tennessee Restaurant Co.	61	60	48
Piccadilly	Cafeteria	Piccadilly Cafeterias Inc.	74	93	17
Pizza Hut	Pizza	PepsiCo Inc.	7	4	78
Pizza Inn	Pizza	Pizza Inn Inc.	55	34	81
Po Folks	Fam. Rest.	Po Folks Inc.	64	83	24
Ponderosa	Fam. Steak.	Ponderosa Inc.	22	35	38
Popeye's	Chicken	A. Copeland Enterprises Inc.	39	37	56
Quality Inn	Hotel	Manor Care Inc.	45	32	85
Quincy's	Fam. Steak.	Transworld Corp.	85	72	46
Radisson	Hotel	Carlson Cos.	81	88	14
Ramada	Hotel	Ramada Inc.	57	41	79
Rax	Roast Beef	Rax Restaurants Inc.	47	46	59
Red Lobster	Dinnerhouse	General Mills Inc.	17	54	11
Round Table Pizza	Pizza	Round Table Pizza Inc.	65	48	76
Roy Rogers	Burger	Marriott Corp.	29	42	47
Seiler	Contract	Sodexho S.A.	83	78	42
7-Eleven	C-Store	Southland Corp.	27	2	99
Service America	Contract	Allegheny Beverage Corp.	40	23	91
Sheraton	Hotel	ITT Corp.	12	49	10
Shoney's	Fam. Rest.	Shoney's Inc.	23	40	26
ShowBiz/Chuck E. Cheese's	Pizza	Brock Hotel Corp.	67	66	39
Sizzler	Fam. Steak.	Collins Foods International Inc.	28	44	29
Sky Chefs	Contract	Onex Capital Corp.	42	97	3
Sonic Drive-In	Burger	Sonic Industries Inc.	51	26	89
Steak and Ale	Dinnerhouse	Pillsbury Co.	53	80	23
Stuart Anderson's	Dinnerhouse	Marriott Corp.	58	92	13
Szabo	Contract	Szabo Food Services Inc.	92	68	64
T.G.I. Friday's	Dinnerhouse	Carlson Cos.	43	91	7
Taco Bell	Taco	PepsiCo Inc.	10	13	65
Tastee Freez	Ice Cream	DeNovo Corp.	94	45	90
Village Inn	Fam. Rest.	Vicorp Restaurants Inc.	68	64	44
Waffle House	Fam. Rest.	Waffle House Inc.	89	38	92
Wendy's	Burger	Wendy's International Inc.	4	9	49
Western Sizzlin'	Fam. Steak.	Western Sizzlin Steak Houses	30	36	45
Western Steer	Fam. Steak.	Western Steer-Mom 'n' Pop's	86	75	43
Westin	Hotel	UAL Inc.	34	99	1
Whataburger	Burger	Whataburger Inc.	69	53	69
White Castle	Burger	White Castle Systems Inc.	59	70	27
Winchell's	Doughnut	DHI Corp.	90	30	95
Wyatt	Cafeteria	Wyatt Cafeterias Inc.	82	90	22
York	Fam. Steak.	General Mills Inc.	100	94	35

Source: *NRN* research

TOP 100 COMPANY DIRECTORY

Company	Key Concepts	Chief Executive	1986 Rank
A. Copeland Enterprises Inc.	Popeye's	Al Copeland	81
ARA Services Inc.	Contract	Joseph Neubauer	7
Allegheny Beverage Corp.	Service America Corp.	Morton M. Lapides	28
Bob Evans Farms Inc.	Bob Evans Farms	Daniel Evans	44
Boddie-Noell Enterprises Inc.	Hardee's	Ben Mayo Boddie	39
Braum Ice Cream Stores Inc.	Braum Ice Cream	W. H. Braum	79
Brock Hotel Corp.	ShowBiz Pizza, Chuck E. Cheese, Hotels	Thomas Corcoran	76
Brown Derby Inc.	Brown Derby	Parris Girves	69
Calny Inc.	Taco Bell	Robert Larive	92
Carl Karcher Enterprises Inc.	Carl's Jr.	Carl Karcher	32
Carlson Cos.	Friday's, Country Kitchen, Radisson	Curt Carlson	21
Carrols Corp.	Burger King	Herbert N. Slotnick	66
Carson Pirie Scott & Co.	Dobbs, Toddle House	Peter S. Willmott	27
Chi-Chi's Inc.	Chi-Chi's	Hal Smith	34
Chick-fil-A	Chick-fil-A	S. Truett Cathy	59
Chili's Inc.	Chili's Hamburger Grill & Bar	Norman Brinker	71
Church's Fried Chicken Inc.	Church's	Richard F. Sherman	20
Circle K Corp.	Circle K	Karl Eller	65
Club Corp. of America	Country Clubs	James Maser	72
Collins Foods International Inc.	Sizzler, Kentucky Fried Chicken, Naugles	James A. Collins	24
Consolidated Products Inc.	Steak 'n Shake, Big Wheel	James Williamson Jr.	93
Consul Restaurants Corp.	Chi-Chi's	James H. Crivits	96
Cracker Barrel Old Country Store	Cracker Barrel Old Country Store	Dan W. Evins	85
Custom Management Corp.	Contract	John C. Metz	45
DHI Corp.	Denny's, Winchell's, El Pollo Loco	Vern O. Curtis	5
Delaware North Cos.	Sportservice, Air Terminal	Jeremy M. Jacobs	37
Domino's Pizza Inc.	Domino's	Thomas Monaghan	13
Dunkin' Donuts Inc.	Dunkin' Donuts	Robert Rosenberg	82
El Chico Corp.	El Chico, Cactus	Gilbert Cuellar	86
Elias Brothers Restaurants Inc.	Big Boy	Fred Elias	62
F. W. Woolworth & Co. Inc.	In-Store, Burger King	N.A.	67
Foodmaker Inc.	Jack-in-the-Box	Jack Goodall	18
Frisch's Restaurants Inc.	Big Boy, Roy Rogers	Jack C. Maier	75
Fuddruckers Inc.	Fuddruckers	William Baumhauer	91
General Mills Inc.	Red Lobster, York, Olive Garden	H. Brewster Atwater Jr.	12
Golden Corral Corp.	Golden Corral, Oh!Brian's	James H. Maynard	29
Greyhound Corp.	Contract, Burger King, Cassano's	John W. Teets	35
Hanson Trust	Ground Round	Lord Hanson	57
Harman Management Corp.	KFC, H. Salt Esq. Fish & Chips	Leon Harman	64
Hershey Foods Corp.	Friendly Ice Cream	Richard A. Zimmerman	23
Hilton Hotels Corp.	Hilton Hotels	Barron Hilton	53
Holiday Corp.	Holiday Inns, Crowne Plaza, Embassy	Michael D. Rose	31
Horn & Hardart Co.	Bojangles', Burger King, Arby's	Barry W. Florescue	68
Hyatt Hotels Corp	Hyatt Hotels	Pat Foley	41
IHOP Corp.	International House of Pancakes	Richard K. Herzer	95
ITT Corp.	Sheraton Hotels	Rand Araskog	52
Imasco Ltd.	Hardee's, Casa Grisanti	Paul Pare	10
International Dairy Queen Inc.	Dairy Queen, Golden Skillet	Harris Cooper	55
International King's Table Inc.	King's Table	Roger Houmes	84
JB's Restaurants Inc.	Big Boy	Clark D. Jones	77
Jerrico Inc.	Long John Silver's, Jerry's	John E. Tobe	15
K mart Corp.	In-Store, Furr's, Bishop's Buffet	Bernard Fauber	19
Krystal Co.	Krystal	Carl Long	61
Little Caesar Inc.	Little Caesar, Wendy's, Chuck E. Cheese	Michael Ilitch	47
Luby's Cafeterias Inc.	Luby's	John B. Lahourcade	42
Marcus Corp.	Big Boy, KFC	Steve Marcus	100
Marriott Corp.	Contract, Hotels, Big Boy, Roy Rogers	J. Willard Marriott	2
McDonald's Corp.	McDonald's	Fred Turner	1
McFaddin Ventures	Night Clubs	Lance McFaddin	97
Morrison Inc.	Morrison, Ruby Tuesday, Contract	E. Eugene Bishop	17
National Pizza Co.	Pizza Hut	G. Bicknell, G. Elliott	90
Nestle S.A.	Stouffer, Cheese Cellar, Rusty Scupper	N.A.	40
Ogden Corp.	Contract	Ralph Ablon	33
Onex Capital Corp.	Sky Chefs, Rainbow House, The Chefs	Gerald W. Schwartz	30
Papa Gino's of America Inc.	Papa Gino's	Ralph Guarino	83
PepsiCo Inc.	KFC, Pizza Hut, Taco Bell, Boulangerie	D. Wayne Calloway	4
Piccadilly Cafeterias Inc.	Piccadilly	James Malmberg	43
Pillsbury Co.	Burger King, Godfather's, Bennigans	John M. Stafford	3
Pizza Inn Inc.	Pizza Inn, J. T. McCord's	F. J. Spillman	46
Po Folks Inc.	Wendy's, Po Folks	Clyde Culp	54
Ponderosa Inc.	Ponderosa, Casa Lupita	Gerald S. Office Jr.	22
RJR Nabisco Inc.	Kentucky Fried Chicken	J. Tylee Wilson	11
RTM Inc.	Arby's	Russell V. Umphenour	88
Ramada Inc.	Ramada Inns, Callender's, Tropicana	Richard Snell	50
Rax Restaurants Inc.	Rax	J. Pat Ross	74
Restaurant Assoc. Inds. Inc.	Charlie Brown's, Mama Leone's	Martin Brody	70
Riese Organization	Arby's, Roy Rogers, El Torito	Dennis Riese	60
Royal Crown Cos.	Arby's	Victor Posner	73
Rusty Pelican Restaurants Inc.	Tusty Pelican	Louis A. Siracusa	99
Ryan's Family Steak Houses Inc.	Ryan's Family Steakhouse	Alvin A. McCall Jr.	89
Shoney's Inc.	Shoney's, Captain D's, Lee's	Ray Danner	14
Shoney's South Inc.	Shoney's, Captain D's	James H. Prentiss	48
Skipper's Inc.	Skipper's	M. Eugene Stone	94
Sodexho S.A.	Seiler	Pierre Bellon	51
Southland Corp.	7-Eleven	John P. Thompson	16
Specialty Restaurants Corp.	94th Aero Squadron, Baby Doe's	David C. Tallichet Jr.	58
Szabo Food Services Inc.	Szabo	David R. Hamilton	63
Tennessee Restaurant Co.	Perkins	Donald N. Smith	87
Transworld Corp.	Canteen, Hardee's, Quincy's	L. Edwin Smart	6
UAL Inc.	Westin	Richard Ferris	25
Vicorp Restaurants Inc.	Village Inn, Bakers Square	Gordon Miles	26
W. R. Grace & Co. Inc.	El Torito, Carrows, Houlihan's, Del Taco	J. Peter Grace	9
Waffle House Inc.	Waffle House	Joe W. Rogers Sr.	98
Walgreen Co.	Wag's, In-Store	Charles R. Walgreen III	78
Walt Disney Co.	Theme Parks	Michael Eisner	38
Wendy's International Inc.	Wendy's, Sisters	Robert L. Barney	8
Whataburger Inc.	Whataburger	Jim L. Peterson	56
White Castle Systems Inc.	White Castle	Edgar W. Ingram III	36
Winners Corp.	Mrs. Winners, Wendy's	Lonnie J. Stout II	80
Wyatt Cafeterias Inc.	Wyatt	H. L. Packer	49

Source: *NRN* research

FOCUS | NRN

The so-called burger wars are sizzling with marketing battles as top chains compete to sell very similar chicken, breakfast and salad items.

Burger biggies caught in copycat quandary

By David Zuckerman

A recent flurry of me-too chicken-nugget introductions—including rollouts by Burger King, Wendy's and Roy Rogers—signals the urgent need among fast-food hamburger chains to establish clear-cut points of difference with hard-hitting advertising barrages.

The proliferation of breakfast items, chicken products and salads throughout the segment in recent years has saturated menus with the same familiar offerings. Differentiation, then, has for the most part been turned over to marketing departments, which will be spending at a record rate this year.

For segment leaders McDonald's, Burger King, Wendy's and Hardee's—chains that have steadily pulled away from the rest of the pack—the all-important battleground continues to be hamburger sales. While the so-called burger wars appear to have mellowed, the competition for patronage has grown increasingly more intense in a marketplace that remains stubbornly soft.

Those four companies, which now control more than 35% of the domestic fast-food market, have themselves been struggling to achieve real sales growth at the store level. But they continue to swallow up large chunks of market share on the strength of vastly superior marketing resources and massive annual unit expansion efforts.

Hardee's launches ad attack

No. 4 Hardee's, based in Rocky Mount, N.C., has embarked on a full-scale marketing assault aimed at boosting its core hamburger business to a level more comparable with McDonald's, Burger King and Wendy's. The chain's recent "A Little Closer to Home" advertising campaign signals a new determination—at least partly attributable to the arrival of ex-Burger King executive William Prather as president—to confront the so-called big three head on.

Long the segment leader in breakfast sales, Hardee's believes it has finally developed a competitive product in its new ¼-lb. line of hamburgers. But the company continues to covet a West Coast presence—there are no stores west of Salt Lake City—and has reportedly had an eye on Foodmaker's privately held Jack in the Box chain.

McDonald's, the nation's most heavily marketed single brand name, with total 1985 national advertising expenditures of $311.6 million, will bolster even further its No. 1 position by continuing to harp on familiar themes: convenience, speed of service, consistency and pure market presence. And while individually packaged salads may be added systemwide, the hamburger remains the Oak Brook, Ill.-based giant's bread and butter.

Increased competition in the $1 billion chicken nugget sweepstakes, moreover, should have little impact as McDonald's presses on relentlessly—both here and abroad. New on the company's agenda is an "ordering by the numbers" marketing campaign designed to simplify the purchase of the chain's three most popular hamburger meals and boost average per-person checks.

Ordering by the numbers

Under the new system, which is being touted in network television ads as "faster" and "more convenient," patrons ordering "No. 1" receive a ¼-lb. McDLT hamburger, a large order of french fries and a medium Coke. "No. 2" signifies a Big Mac with large fries and a Coke and "No. 3" the chain's Quarter-Pounder with cheese, french fries and a Coke. There is no reduced price, as with value packs.

For No. 2 Burger King, a back-to-basics marketing approach, themed "We Know How Burgers Should Be," is expected to remain in place for the immediate future and perhaps the next few years, according to the Miami-based company, which has been burned over the past year and a half by two unsuccessful campaigns, one promoting a reformulated Whopper sandwich and the other built around a character named Herb.

With a strong emphasis on two widely established and basic points of difference—flame broiling and "Have It Your Way"—the campaign has most recently been applied to three new "Double Deluxe" lettuce and tomato hamburgers positioned against McDonald's McDLT. Advertising for the chain's new Chicken Tenders, pulled from the airwaves a few months back, will also be resumed in December and should help produce some incremental sales.

Stunned by breakfast flop

The story at No. 3 Wendy's, astonished this year by the failure of its overly ambitious breakfast program in several markets, remains somewhat less clear.

While the Dublin, Ohio-based chain concentrates on marketing its new Crispy Chicken Nuggets for the near-term, a longer-term approach will likely target hamburgers, where the chain has reportedly been losing vital sales

*(See **BURGER CHAINS**, page F18)*

HIGHLIGHTS

- **McDonald's:** Remains most heavily marketed single brand name.
- **Burger King:** Takes back-to-basics marketing approach.
- **Wendy's:** Overly ambitious breakfast program flops.
- **Hardee's:** Embarks on full-scale marketing assault.
- **Arby's:** Shies from burger image.
- **Rax:** Plans hamburger rollout.
- **Roy Rogers:** Strengthens marketing presence on television.

TOP BURGER CHAINS RANKED BY SYSTEMWIDE SALES

Top 100 Rank*		Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions)		
1986	1985			Current	Last Full	Previous
1	1	McDonald's	Dec.	**$12,520.0**	$11,000.0	$10,000.0
2	2	Burger King	May	**5,085.0**	4,500.0	3,990.0
4	4	Wendy's	Dec.	**3,150.0**	2,690.0	2,420.0
5	5	Hardee's	March	**2,814.0**	2,400.0	2,200.0
18	18	Arby's	Dec.	**915.0**	814.0	760.0
26	24	Jack-in-the-Box	Sept.	**620.0**	584.3	575.2
29	28	Roy Rogers	Dec.	**546.8**	512.0	483.3
44	42	Carl's Jr.	Jan.	**355.8**	335.7	328.9
47	49	Rax	July	**338.5**	299.6	280.0
51	50	Sonic Drive-In	Aug.	**300.2**	292.0	283.1
59	64	White Castle	Dec.	**273.1**	239.9	229.0
69	66	Whataburger	Sept.	**244.0**	226.0	210.0
91	84	Krystal	Dec.	**172.5**	168.0	162.0
93	90	A&W	Dec.	**157.5**	156.0	155.0
TOTAL Top 100 Burger Segment Sales				**$27,492.4**	**$24,217.5**	**$22,076.5**

*Ranking refers to Top 100 Chains: Ranked by Systemwide Sales

Source: *NRN* research

TOP BURGER CHAINS RANKED BY NUMBER OF UNITS

Top 100 Rank*		Chain	Fiscal Year Ends	Number of Units (By Fiscal Year)		
1986	1985			Current	Last Full	Previous
1	1	McDonald's	Dec.	**9,460**	8,901	8,304
5	5	Burger King	May	**5,108**	4,743	4,197
9	7	Wendy's	Dec.	**3,842**	3,442	2,992
10	10	Hardee's	March	**2,835**	2,587	2,358
17	18	Arby's	Dec.	**1,710**	1,539	1,343
26	24	Sonic Drive-In	Aug.	**931**	970	968
27	29	Jack-in-the-Box	Sept.	**867**	812	788
39	37	A&W	Dec.	**582**	598	704
42	42	Roy Rogers	Dec.	**576**	550	537
46	45	Rax	July	**564**	500	443
51	51	Carl's Jr.	Jan.	**480**	456	433
53	54	Whataburger	Sept.	**402**	390	380
69	69	Krystal	Dec.	**252**	246	234
70	74	White Castle	Dec.	**230**	202	190
TOTAL Top 100 Burger Units				**27,839**	**25,936**	**23,871**

*Ranking refers to Top 100 Chains: Ranked by Number of Units

Source: *NRN* research

TOP BURGER CHAINS RANKED BY SALES PER UNIT

Top 100 Rank*		Chain	Fiscal Year Ends	Sales per Unit (By Fiscal Year, in Thousands)		
1986	1985			Current	Last Full	Previous
25	28	McDonald's	Dec.	**$1,374.0**	$1,297.0	$1,260.0
27	26	White Castle	Dec.	**1,300.0**	1,300.0	1,280.0
34	36	Burger King	May	**1,145.0**	1,100.0	1,000.0
47	44	Roy Rogers	Dec.	**875.0**	855.0	825.0
49	45	Wendy's	Dec.	**850.0**	848.0	861.0
51	48	Hardee's	March	**842.0**	803.0	802.0
55	55	Jack-in-the-Box	Sep.	**735.0**	741.0	750.0
57	57	Carl's Jr.	Jan.	**720.0**	717.0	736.5
59	60	Rax	July	**688.5**	662.0	704.0
60	58	Krystal	Dec.	**685.0**	683.0	692.0
69	68	Whataburger	Sep.	**606.0**	579.0	553.0
70	70	Arby's	Dec.	**601.0**	575.0	575.0
89	91	Sonic Drive-In	Aug.	**322.8**	305.0	292.0
94	94	A&W	Dec.	**235.0**	227.0	220.0
AVERAGE Top 100 Burger Chain Sales per Unit				**$784.2**	**$763.7**	**$753.6**

*Ranking refers to Top 100 Chains: Ranked by Sales per Unit

Source: *NRN* research

BURGER BIGGIES IN QUANDARY

Meanwhile, chains with less marketing clout have begun to focus on solidifying their existing customer bases.

(Continued from page F17)

to McDonald's.

As with Burger King's Double Deluxe, according to some industry analysts, Wendy's principal target could be McDonald's McDLT, a product that has scored impressively with consumers, despite offering little that is actually new. Wendy's version, a ¼-lb. lettuce and tomato burger called The Boss, consists of products already available in the stores and could be the subject of a major hamburger-oriented marketing campaign in the future.

Runners-up guard flanks

Meanwhile, chains with less marketing clout—virtually everyone else in the segment—have begun to focus efforts on solidifying their existing customer bases. For most, that means establishing a distinctive identity through innovative marketing, while sticking essentially to a regional base of operations.

Atlanta-based Arby's, one of the few chains outside the top four with a national presence, has attempted to distance itself entirely from burger segment competition by fortifying its marketing position as a roast beef operation.

Plans to introduce hamburgers at Arby's, once considered an essential prelude to gaining a more competitive position, have been tabled under company president Leonard Roberts, who has opted instead to unveil a steady stream of new roast beef products. Such items as the Philly Beef 'n Swiss and the Great American Roast Beef Sandwich have been aimed at strengthening Arby's position as the roast beef leader.

"What we've done this year and will continue to do in the immediate future is to capitalize on our strength in the roast beef niche," Roberts explained. "We plan to add even more roast beef products to the Arby's menu."

By contrast, Columbus, Ohio-based Rax, another roast beef-oriented operation with national ambitions, will almost definitely roll out a hamburger systemwide this year. The innovative chain, which was among the first to introduce baked potatoes and a greenhouse-style building design, has been steadily losing ground over the past two years to the burger-segment giants.

Under new president Larry Ritter, who views a hamburger rollout as essential to the chain's continued growth, Rax has embarked on a total reassessment of its position in search of a clearly defined market niche. The results, though still inconclusive, have yielded a new slogan—"Fast Food with Style"—that attempts to define Rax as a "mainstream fast-food chain" with an innovative flair.

"If you're unclear about who you are and what you are, then it's difficult to plan for the future," Ritter said. "Our new positioning will provide a road map for the future in that all moves must be consistent with the notion of fast food with style."

Among the regional hamburger chains, Marriott's Washington, D.C.-based Roy Rogers has substantially strengthened its marketing presence on television under the direction of new advertising agency Earle Palmer Brown in an effort to "gain more visibility," according to the company.

Visibility, stability, drive-thrus

At the same time, Roy Rogers has avoided direct confrontation with the giant hamburger chains by positioning itself as a strong contender in the take-out chicken market. The recent introduction of Roy Rogers Chicken Nuggets, moreover, has added weight to the chain's emphasis on chicken products as a primary growth vehicle.

Anaheim, Calif.-based Carl's Jr., meanwhile, has held fast to its back-to-basics approach, instituted last year following a disastrous foray into a hybrid market segment between fast feeder and coffee shop. The chain is now hoping to continue its rebound following two years in the doldrums.

Meanwhile, low-ender White Castle, which continues to enjoy the highest per-unit volumes in the segment, will attempt to attract additional sales volumes by adding drive-thru service "wherever possible," according to spokesman Gale Turley.

Currently about 35% of the chain's 220 units have drive-thrus, Turley noted, adding that most new stores—about 98%—utilize a double drive-thru design where "you order at one window and pick up at the second."

White Castle will also open its first stores in Kansas City, Mo., and Nashville, Turley said, and the chain has begun testing retail sales of its hamburgers at supermarkets in both Denver, where there are no outlets currently in operation, and Indianapolis, where there are.

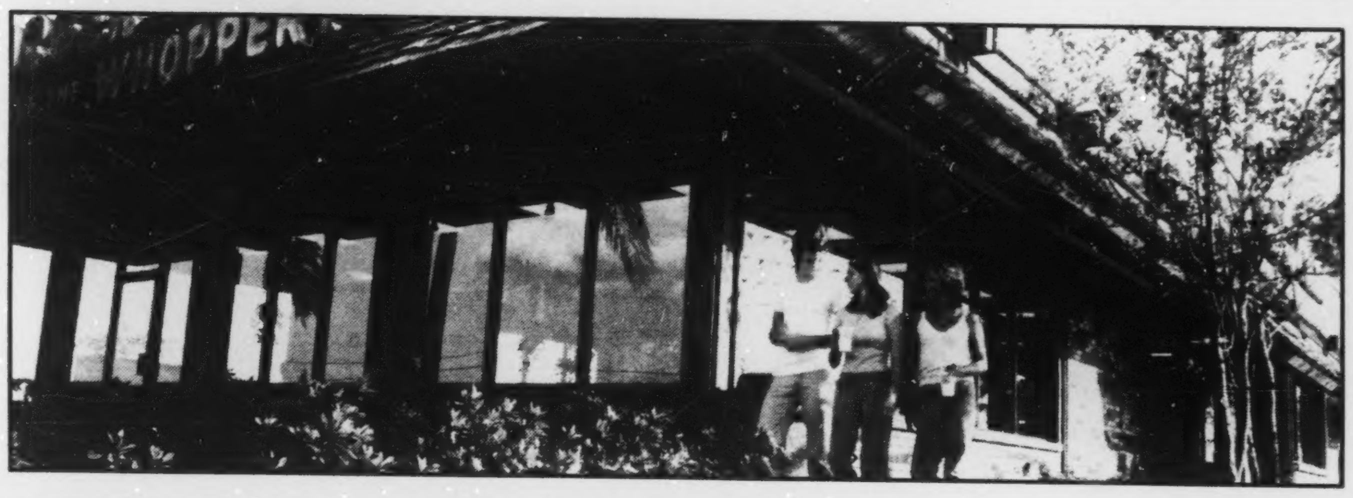
Oklahoma City-based Sonic Drive-Ins, following a recent leveraged buyout, has set its sights on unifying its 900-plus-unit, heavily franchised system into a regional take-out specialist. A new promotion, built around a premium-priced take-out package called a "Brown Bag Special," was instituted this summer.

As an immediate goal, according to executive vice president Vern Stewart, the company hopes to boost its average annual unit volumes—currently mired at just over $300,000—to $500,000 by 1992. Most newer stores, he said, have been outperforming the rest of the system.

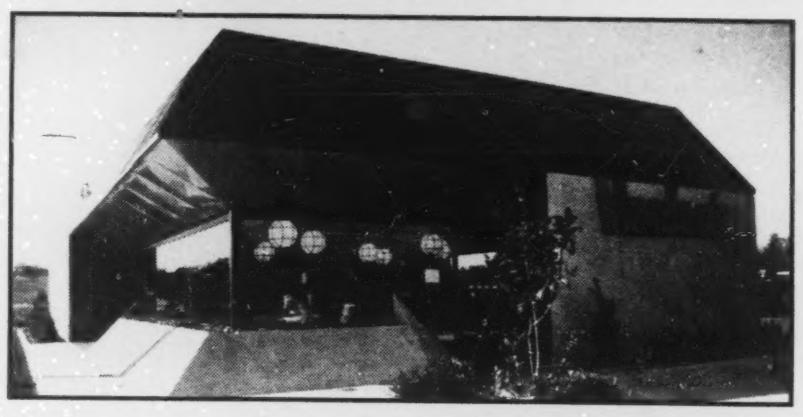
"We have a few drive-ins that are doing an extremely high volume with seven or eight stalls and very little indoor service," Stewart noted. "I feel we have a solid $700,000 concept.

"But our system is basically underutilized. Marketing is the key, but obviously we can't go head-to-head in a media war with the giants of the industry. Sonic must stick to a unique, offbeat nostalgia approach, which ties in well with our drive-in concept. We'll be doing lots of nostalgia marketing over the next year."

McDonald's
McDonald's



Wendy's
OLD FASHIONED HAMBURGERS



Burger segment leaders McDonald's, Burger King, Wendy's and Hardee's, are pulling away from the rest of the burger pack. These four companies now control more than 35% of the domestic fast-food market. Each chain has been struggling to achieve real sales growth at the store level, but continues to win large portions of the market with vast marketing resources and massive annual unit expansion efforts.

BURGER SEGMENT MARKET SHARE

Top 100 Rank*		Chain	Fiscal Year Ends	Market Share (By Fiscal Year)		
1986	1985			Current	Last Full	Previous
1	1	McDonald's	Dec.	45.54%	45.42%	45.30%
2	2	Burger King	May	18.50	18.58	18.07
4	4	Wendy's	Dec.	11.46	11.11	10.96
5	5	Hardee's	March	10.24	9.91	9.97
18	18	Arby's	Dec.	3.33	3.36	3.44
26	24	Jack-in-the-Box	Sept.	2.26	2.41	2.61
29	28	Roy Rogers	Dec.	1.99	2.11	2.19
44	42	Carl's Jr.	Jan.	1.29	1.39	1.49
47	49	Rax	July	1.23	1.24	1.27
51	50	Sonic Drive-In	Aug.	1.09	1.21	1.28
59	64	White Castle	Dec.	0.99	0.99	1.04
69	66	Whataburger	Sept.	0.89	0.93	0.95
91	84	Krystal	Dec.	0.63	0.69	0.73
93	90	A&W	Dec.	0.57	0.64	0.70

*Ranking refers to Top 100 Chains: Ranked by Systemwide Sales

Source: *NRN* research

BURGER SEGMENT PRICE DATA

(For Selected Chains)

Chain	Average Per-Person Check (By Fiscal Year)			Menu Price Increase (By Fiscal Year)		
	Current	Last Full	Previous	Current	Last Full	Previous
Burger King	$3.09	$3.03	$2.94	2.0%	2.2%	5.7%
White Castle	2.56	2.54	2.51	1.0	1.1	3.7
Wendy's	4.15	4.14	4.10	1.0	2.0	4.0
Hardee's	2.55	2.50	2.45	2.2	2.2	2.0
McDonald's	3.35	3.24	3.15	3.5	2.8	0.0
Carl's Jr.	3.38	3.38	3.76	0.0	−10.0	9.9
Sonic Drive-In	2.19	2.15	2.11	2.0	1.9	1.0
AVERAGE for Chains Listed	$3.04	$3.00	$3.00	1.7	0.3	3.8

Source: *NRN* research